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Tamil Nadu, India
T +91 421 4311600
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info@amarjothi.net
www.amarjothi.net



Amarjothi
Spinning Mills Ltd

■ ISO 9001:2008 | GOTS-OE | OEKO TEX CERTIFIED

CIN: L17111TZ1987PLC002090

27.09.2017

To

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai- 400 001

Through: BSE Listing Centre

Dear Sirs,

Sub: Submission of Annual Report for the year 2016-17

Scrip Code: 521097

Scrip Name: Amarjothi Spinning Mills Limited

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirement), 2015, we submit herewith the Annual Report for the year 2016-17 approved and adopted by the shareholders at the Annual General Meeting held on September 25, 2017.

Thanking You,

Yours Faithfully,

For Amarjothi Spinning Mills Limited,

K. Mohanapriya
Company Secretary.

Mills: Gobi Main Road, Pudusuripalayam, Nambiyur 638458, Gobi Tk., Erode Dt. Tamil Nadu, India
T +91 4285 267201, 267301 | F +91 4285 267565 | mill@amarjothi.net | www.amarjothi.net

Dyeing Unit: No. E 7, 8 & 9, SIPCOT, Perundurai 638052, Erode Dist., Tamil Nadu, India
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TC: IN/TIP/05659

TIN 33632960864
CST 440691/2109.90



ANNUAL REPORT 2016-2017



AMARJOTHI SPINNING MILLS LIMITED



AMARJOTHI SPINNING MILLS LIMITED

29th Annual Report

BOARD OF DIRECTORS

CHAIRMAN	Sri. N. RAJAN
MANAGING DIRECTOR	Sri. R. PREMCHANDER
JOINT MANAGING DIRECTOR	Sri. R. JAICHANDER
DIRECTORS	Dr. V. SUBRAMANIAM
	Sri. N. RADHAKRISHNAN
	Sri. V.T. SUBRAMANIAN
	Sri. M. MOORTHY
	Sri. V. MANIKANDAN
	Sri. M.S. SIVAKUMAR
	Smt. M. AMUTHA

CHIEF FINANCIAL OFFICER Sri. P. SINGARAVELU

COMPANY SECRETARY Smt. K. MOHANAPRIYA

STATUTORY AUDITOR Sri.V.NARAYANASWAMI M.A., F.C.A.
Chartered Accountant, Coimbatore

BANKERS Bank of Baroda
Karur Vysya Bank Limited

REGD. OFFICE "AMARJOTHI HOUSE"
157, Kumaran Road, Tirupur - 641 601
Phone : +91-421-4311600 - 01
Fax : 91 421-4326694
Email : mill@amarjothi.net; arun@amarjothi.net
Website : www.amarjothi.net
CIN: L17111TZ1987PLC002090

FACTORIES AT Pudusuripalayam, Nambiyur - 638 458
Gobi Taluk (Spinning Unit)
SIPCOT, Perundurai, Erode Dist (Processing unit)

**REGISTRAR AND
SHARE TRANSFER AGENTS** M/s. S.K.D.C. Consultants Ltd.
Kanapathy Towers, 3rd Floor
1391/A-1, Sathy Road, Ganapathy,
Coimbatore - 641 006



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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 29th Annual General Meeting of the Shareholders of the Company will be held on Monday, the 25th September, 2017 at 11.00 A.M. at the Meeting Hall of Gayathri Hotel, Kangayam Road, Tirupur – 641 604 to transact the following business:

ORDINARY BUSINESS

1. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED that the Audited Statements of Accounts of the Company for the year ended 31st March 2017 and the Director’s and Auditors’ Reports thereon, be and are hereby approved and adopted.”

2. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED that a final dividend of Rs.2/- per share (20% on the face value of Rs.10/-), as recommended by the Directors, be and is hereby declared for the year ended 31st March 2017 on the paid-up capital of Rs. 6,75,00,000. And the same be paid to shareholders, whose names stand on the Register of Members of the Company on 18th September 2017, and that the total dividend amount of Rs.1,35,00,000 representing the said total dividend of Rs.2 per share (20% on the face value of Rs.10/-) be paid out of the profits for the year 2016-17.”

3. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 152 and other applicable provisions, if any, of the companies Act, 2013, the Rules there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. M. Moorthi (Holding DIN: 06801357), the retiring Director, be and is hereby re-appointed as Director of the Company, liable for retirement by rotation

4. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under, Mr.P.S.Sitaram, Chartered Accountant, Coimbatore, (Membership No.023033), be and is hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of Twenty Nineth (29th) Annual General Meeting to until the conclusion of the Thirtieth (30th) Annual General Meeting of the Company, as per



the provisions of the Companies Act, 2013 on such remuneration as may be determined by the Board of directors of the company.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Pursuant to provisions of section 148(3) and other applicable provisions if any, of Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment (s) thereof for time being in force), the remuneration payable during the financial year 2017-18 to Mr. M.Nagarajan , Practicing Cost Accountant having membership No.6384 and the Registration No.000088 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2017-18, amounting to Rs.40,000/- (Rupees Forty Thousand Only) as also the payment of service tax as applicable be and is hereby ratified and confirmed.”

By order of the board

Place : Tirupur

Date : 28.07.2017

(Sd/-) **N.RAJAN**

Chairman

DIN: 00390813

(Sd/-) **R.PREMCHANDER**

Managing Director

DIN: 00390795

NOTE :

1. A member entitled to attend and vote is entitled to appoint a proxy and such a proxy need not be a member. The proxy form duly stamped and executed, should be deposited at the Registered Office of the Company at least forty-eight hours before the time fixed for the commencement of the meeting. A person can act as proxy on behalf of not more than fifty (50) members holding in the aggregate not more than 10% of the total share capital of the Company.
2. The register of members and share transfer books of the Company will remain closed from 19th September, 2017 to 25th September, 2017 (both days inclusive). The dividend, if declared at the meeting, will be paid on or before 25th October, 2017.
3. Pursuant to the provisions of Sections 124 (5) and 125, read with Rule 5 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, of the Companies Act, 2013, the Company has transferred the unclaimed and unpaid dividends for the financial year 31st March 2009, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund



(Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 28th September 2016 (date of last Annual General Meeting) on the website of the Company (www.amarjothi.net), as also on the Ministry of Corporate Affairs website.

4. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Reg.44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting.

The Board of Directors has appointed Sri. R.RAMCHANDAR, Company Secretary in Practice as the Scrutinizer, for conducting the postal ballot and e-voting process in a fair and transparent manner:

The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facility.

The e-voting facility will be available at the link www.evotingindia.com during the following voting period.

The remote e-voting would commence on Friday, the 22nd September 2017 (9:00 am) and end on Sunday, the 24th September 2017 (5:00 pm).

During the above period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18th September 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5:00 p.m. on 24th September 2017. Once the vote on a resolution is cast by the shareholder, the shareholder cannot change it subsequently.

The voting rights of Members shall be in proportion of the shares held by them in the paid up equity share capital of the Company as on 18th September 2017. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date (18th September 2017) only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting through Ballot Paper.

Notice is being sent to all the shareholders whose names appear on the Register of Members / list of Beneficial Owners, as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CSDL) as at the close of business hours on Monday, the 28th August 2017.



Any person, who acquires shares of the Company and becomes a member after dispatch of the Notice, but holding shares as on the cut-off date for remote e-voting i.e. 18th September 2017, may obtain the login Id and Password by sending a request to helpdesk.evoting@cdslindia.com or contact our Registrar & Share Transfer Agent at the address mentioned on Note no. 5(ii).

The facility for voting through poll shall be made available at the Meeting and the members attending the Meeting and who have not cast their vote by remote e-voting shall be eligible to vote at the Meeting through poll by ballot paper.

The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.

The procedure and instructions for e-voting is furnished in this notice.

The Scrutinizer will submit his report to the Chairman after completion of the Scrutiny and the results of the physical ballot / e-voting will be announced by the Company on its website - www.amarjothi.net within 48 hours of the conclusion of the AGM.

5. Members are requested to:

- Provide Permanent Account Number if not already provided;
- Opt for NECS / NEFT / RTGS facility by providing latest bank account details for prompt credit and for avoiding fraudulent encashment / loss in postal transit of dividend warrant; and
- Avail nomination facility.

For the above purposes,

- i) Shareholders holding shares in electronic mode may approach their respective depository participants (DP) and
- ii) Shareholders holding shares in physical mode can approach M/s. S.K.D.C Consultants Limited, our Registrar & Share Transfer Agent – Tel. No. 0422-6549995, 2539835 Email: info@skdc-consultants.com.

6. Members who are holding shares in physical form are requested to avail dematerialization facility.

For further information, please refer to FAQs posted by National Securities Depository Limited on its website www.nsdl.co.in and Central Depository Services (India) Limited on its website www.cdslindia.com.

**STATEMENT OF MATERIAL FACTS UNDER SECTION 102 OF THE COMPANIES ACT, 2013****ITEM No. 5**

The Board of Directors, on the recommendation of the Audit Committee, has approved the re-appointment of and remuneration payable to Shri. M. Nagarajan, Practicing Cost Accountant, Coimbatore, for auditing the cost accounting records of the Company pursuant to the Companies (Cost Records and Audit) Rules 2014 for the Financial Year 2017-18 at a remuneration of Rs. 40,000/- per annum excluding the applicable service tax and reimbursement of out of pocket expenses incurred by him in connection with the audit.

As per Section 148 of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as determined by the Board is required to be ratified by the members of the Company. Board recommends this resolution for the approval of the members.

Other than the appointee none of the Directors and other Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

By order of the board

Place : Tirupur
Date : 28.07.2017

(Sd/-) **N.RAJAN**
Chairman
DIN: 00390813

(Sd/-) **R.PREMCHANDER**
Managing Director
DIN: 00390795

PROCEDURE AND INSTRUCTION FOR E-VOTING:

- i) The voting period begins on <22.09.2017 – 9.00 AM> and ends on <24.09.2017- 5.00 PM>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of <18.09.2017> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- iv) Click on Shareholders.



- v) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi) Next enter the Image Verification as displayed and Click on Login.
- vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- ix) After entering these details appropriately, click on "SUBMIT" tab.
- x) Members holding shares in physical form will then directly reach the Company selection screen.
- However, members holding shares in demat form will now reach 'Password Creation'



AMARJOTHI SPINNING MILLS LIMITED

menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the EVSN relevant for <AMARJOTHI SPINNING MILLS LIMITED>
- xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix) Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m- voting app can be downloaded from Google play Store. Apple and windows phone users can download the app from the App Store and the Windows phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xx) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

AMARJOTHI SPINNING MILLS LIMITED



- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

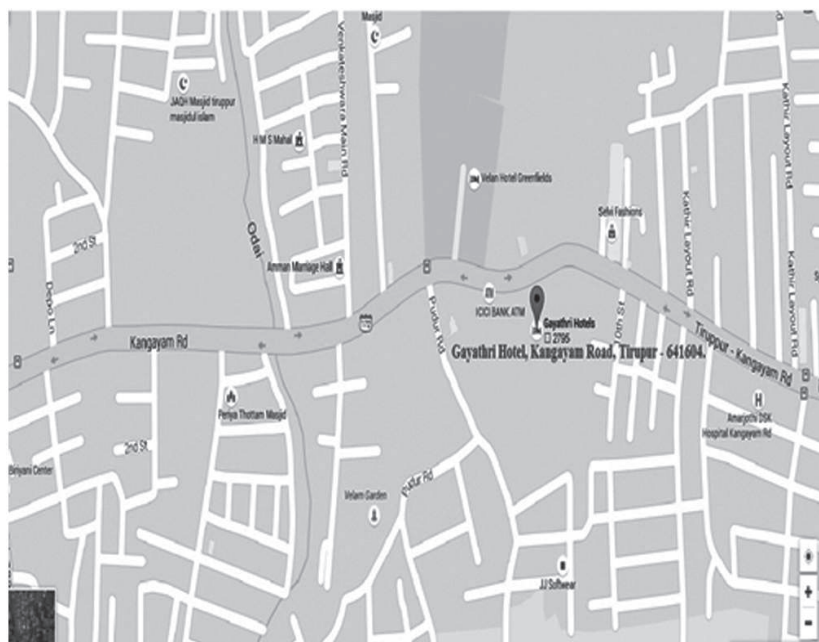
xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

By order of the board

Place : Tirupur
Date : 28.07.2017

(Sd/-) **N.RAJAN**
Chairman
DIN: 00390813

(Sd/-) **R.PREMCHANDER**
Managing Director
DIN: 00390795



29th ANNUAL GENERAL MEETING
Monday, 25th September, 2017
at 11.00 A.M. at Gayathri Hotel, Kangeyam Road, Tirupur- 641604.

AMARJOTHI SPINNING MILLS LIMITED



Particulars of the Directors seeking re-appointment in the forthcoming Annual General Meeting pursuant to Regulation 36(3) of the SEBI (LODR) Regulations, 2015.

ITEMS - 3

Name of the Director	M. MOORTHY
DIN	06801357
Date of Birth	03/05/1975
Expertise in specific functional areas	Has more than 12 years experience in the field of human Resource Management
Qualifications	M.B.A
List of other companies in which directorship held as on 31 st March 2017	NA
Chairman / Members of the Committees of the Board of other companies in which he is a Director as on 31 st March 2017	Chairman : Nil Member : Nil
Shareholding as on 31 st March 2017	
a) held individually	Nil
b) held as Karta of HUF	Nil
c) held jointly with others	Nil
d) held as Executor / Trustee	Nil
Relationship with other Directors	NA

AMARJOTHI SPINNING MILLS LIMITED



DIRECTORS' REPORT TO THE MEMBERS OF AMARJOTHI SPINNING MILLS LIMITED

Your Directors have pleasure in presenting the Twenty Ninth Annual Report together with the audited accounts of your Company for the year ended 31st March 2017.

FINANCIAL RESULTS

	2016-2017 Rs.	2015-2016 Rs.
Revenue from Operations	2168202787.41	1941350801.71
Other Income	44713849.88	24757156.00
Total Revenue	2212916637.29	1966107957.71
Less: Total Expenses	2001064961.97	1873228523.71
Profit before Tax	211851675.32	92879434.00
Profit after Tax	137846675.32	86099434.00
Surplus brought forward	673057689.54	614766921.54
Amount available for appropriation	810904364.86	700866355.54
Appropriations to :		
General Reserve	13785000.00	8610000.00
CSR Reserve	3562878.00	3362626.00
Previous year Income tax arrear paid	249958.00	0
Proposed Dividend – Including Dividend Tax	16248282.00	15836040.00
Surplus carried to balance sheet	777058246.86	673057689.54
TOTAL	810904364.86	700866355.54

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:

OPERATIONS

The Company's sales increased by 11.68% to Rs.21682.03 Lakhs during the year under review as against Rs.19413.50 Lakhs in the previous year. Profitability of the company also increased.

i) YARN DIVISION

Your Directors inform you that yarn division continues to perform well. We hope that in future also our performance will improve.



ii) PROCESSING UNIT

The Processing unit is fully utilized for the dyeing of material of our spinning unit. In addition to our own dyeing, we process our material in outside dyeing also.

FUTURE PROSPECTS:

The Company will continue to perform well in the domestic market. The Company is in the process of implementing several cost saving measures including modernization, which will make the product more competitive.

CHANGE IN NATURE OF BUSINESS, IF ANY:

There were no changes in Nature of Business during the year 2016-2017.

DIVIDEND

Your Directors are glad to recommend a dividend of Rs. 2.00 per share (20% on the Face value) for the year ended 31st March 2017 absorbing a sum of Rs. 1,35,00,000/- for the approval of the share holders at the ensuing Annual General Meeting. The dividend will be free of tax in the hands of shareholders since the Company will be paying the Dividend Distribution Tax at the prescribed rate.

GENERAL RESERVE

During the year, your Company has transferred an amount of Rs. 1,37,85,000.00 to the General Reserve.

CHANGES IN SHARE CAPITAL:

There were no changes in Share Capital of the Company during the Financial Year 2016-2017.

DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS:

The Company has not issued any Equity Shares with Differential Rights during the Financial Year 2016-2017.

DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS:

The Company has not provided any Stock Option Scheme to the employees during the year Under Review.

DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES :

The Company has not issued any Sweat Equity Shares during the year under review.

**EXTRACT OF ANNUAL RETURN :**

As required pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in the Form MGT-9 is annexed as a part of this report vide "ANNEXURE VI".

NUMBER OF BOARD MEETINGS:

During the Financial Year 2016-17, 4 (Four) Meetings of the Board of Directors of the company were held on as given below. The details of Board Meeting and Attendance of Directors are disclosed in the Corporate Governance Report.

Date of meetings:

27.05.2016	29.07.2016	29.10.2016	30.01.2017
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PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186:

The Company has not provided any Loan/Guarantee during the year under review. During the year the Company has made investments for a sum of Rs.2705400 each in the partnership firms Southwest Wind Farms and Northeast Wind Farms as 27% share of capital for the purpose of captive consumption of power generated by their wind mills.

RELATED PARTY TRANSACTIONS:

All transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis. The Company did not enter into any material transaction with related parties, under Section 188 of the Companies Act, 2013, during the year. Form AOC-2, as required under Section 134 (3) (h) of the Act, read with Rule 8 (2) of the Companies (Accounts) Rules 2014, is attached as part of this report, vide Annexure III (i). Further, the Company's policy on Related Party Transactions is attached as part of this report, vide Annexure III (ii).

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS:

There are no qualifications, reservations or adverse remarks or disclaimers made by the auditors for the year.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

**SECRETARIAL AUDIT:**

In terms of Section 204 of the Companies Act, 2013 and the rules there under, the Company has appointed Mr. R.Ramchandrar B.com, ACS, LLB as the Secretarial Auditor of the Company. Secretarial Audit Report in Form MR-3 as provided by Mr. R. Ramchandrar is annexed to this Report vide "ANNEXURE V".

REMUNERATION OF DIRECTORS & KMP:

Disclosure pursuant to Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed vide "ANNEXURE VII".

DETAILS OF DIRECTORS APPOINTMENT AND RESIGNATION:

- (i) Mr. Rajan Premchandrar, Managing Director, (DIN : 00390795) whose term of office expired on 31.08.2016. He was reappointed as Managing Director of the Company for tenure of 5 years term with effect from 01.09.2016.
- (ii) Mr. Rajan Jaichandrar, Whole Time Director, (DIN : 00390836) whose term of office expired on 30.11.2016. He was reappointed as Whole Time Director of the Company for tenure of 5 years term with effect from 01.12.2016.

DIRECTORS RETIRE BY ROTATION:

Mr. M. Moorthi, retires by rotation and, being eligible, offers himself for re- election.

ANNUAL EVALUATION BY THE BOARD

The Board has made a formal evaluation of its own performance and that of its committees and individual directors as required under Section 134(3) (p) of the Companies Act, 2013.

DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:

During the year 2016-17, no significant and material Orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future

STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has a well-established internal financial control and risk management framework, with appropriate policies and procedures, to ensure the highest standards of integrity and transparency in its operations and a strong corporate governance structure, while maintaining excellence in services to all its stakeholders. Appropriate controls are in place to ensure: (a) the orderly and efficient conduct of business, including adherence to policies, (b) safeguarding of assets, (c) prevention and detection of frauds / errors, (d) accuracy and completeness of the accounting records and (e) timely preparation of reliable financial information.

DEPOSITS:

The Company has neither accepted nor renewed any deposits during the year under review.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information relating to Conservation of Energy, Foreign Exchange Earning and Out Go, Technology Absorption pursuant to section 134(3) (m) of the Act, read with rule 8 sub rule 3 of the Companies (Accounts) Rules, 2014 is attached as ANNEXURE -I which forms part of the report.

RISK MANAGEMENT POLICY:

This annual report has got a detailed chapter on management discussion and analysis on risk management stating about risk management by the Company. The Company has in place a Risk Management Policy and the risk management policy is periodically reviewed by the Board. The Company's business model has Comprehensive and integrated risk management framework that comprises a clear understanding of strategy, policy initiatives, prudential norms, proactive mitigation and structured reporting. In addition, the Board periodically reviews and discusses all assets with significant risks, including deliberating on the sector- specific and systemic risks in the business environment. Other key variables monitored for risk are market condition and product costing.

CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with the provisions of Section 129 (3) of the Companies Act, 2013, the Consolidated Financial Statements, drawn up in accordance with the applicable Accounting Standards, form part of the Annual Report.

The consolidated net profit for the year was Rs.17.845 cr. as against Rs.9.638 cr. in the previous year. The Company's consolidated net worth stood at Rs.98.198 cr. as on 31st March 2017.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company has No Joint Ventures and Subsidiaries.

The Company has one Associate Company M/s.Amarjothi Power Generation & Distribution co. Ltd in which our company holds 27.06% shares for the purpose of captive consumption of wind power. The details are mentioned in AOC-1.

AMARJOTHI SPINNING MILLS LIMITED**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/
associate companies/joint ventures**

Part "A": Subsidiaries : Not Applicable

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associate		Amarjothi Power Generation & Distribution Company Ltd
1.	Latest audited Balance Sheet Date	31-03-2017
2.	Shares of Associate held by the company on the year end	
	No of Equity Shares	4600
	Amount of Investment in Associates	Rs.69,00,000
	Extend of Holding%	27.06%
3.	Description of how there is significant influence	By Virtue of Holdings being 20% or more shares
4.	Reason why the associate is not consolidated	NA
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 74,08,110/-
6.	Profit/Loss for the year	Rs.2,89,14,133.50
	i. Considered in Consolidation	Rs.78,24,165/-
	ii. Not Considered in Consolidation	NA

- Names of associates or joint ventures which are yet to commence operations: **NA**
- Names of associates or joint ventures which have been liquidated or sold during the year: **NA**

By Order of the Board

Place : Tirupur
Date : 28.07.2017

Sd/-) N. RAJAN
Chairman
DIN: 00390813

(Sd/-) R. PREMCHANDER
Managing Director
DIN: 00390795



RECEIPT OF ANY COMMISSION BY MD/MTD FROM A COMPANY OR FOR RECEIPT OF COMMISSION/ REMUNERATION FROM ITS HOLDING OR SUBSIDIARY.

Not applicable as there is no holding, subsidiary for this Company and the MD/MTD has not received any commission from other company.

REAPPOINTMENT OF INDEPENDENT DIRECTOR:

As there was no vacation of office of Independent Directors, the company did not reappoint any Independent Directors.

DECLARATION BY INDEPENDENT DIRECTOR:

The Company has received necessary declaration from each Independent Director of the Company under Section 149 (7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149 (6).

BOARD & AUDIT COMMITTEE:

The details regarding number of board meetings held during the financial year and composition of Audit Committee is furnished in the Corporate Governance Report.

NOMINATION AND REMUNERATION COMMITTEE POLICY:

The details regarding Nomination and Remuneration Committee Meeting held during the financial year is annexed to the Corporate Governance Report.

DISCLOSURE ON ESTABLISHMENT OF A VIGIL MECHANISM:

During the year, the Company adopted a Whistle Blower Policy and established the necessary vigil mechanism for Directors and Employees to report concerns about unethical behavior. The mechanism provides for adequate safeguards against victimization. Further, no person has been denied access to the Audit Committee.

The Whistle Blower Policy is available under the following web site: <http://www.amarjothi.net>

AUDITORS:

Mr. V.Narayanaswami , M.A., F.C.A., Chartered Accountant , Coimbatore(Member ship. No: 023661) is the statutory auditor of our company. He retires at the conclusion of this Annual General Meeting . According to Section 139 of Companies Act, 2013 and Rule 6 of the Companies (Audit and Auditors)Rules, 2014, Mr. P.S.Sitaram, B.Sc., F.C.A., Chartered Accountant, Coimbatore, (Membership No.023033), is appointed for the term of 1 (one) year from 29th Annual General Meeting to until the conclusion of 30th Annual General Meeting of the Company. A certificate from the Auditors that they satisfy the Eligibility conditions prescribed under the Companies Act, 2013 and the Rules made there under (including satisfaction of criteria under section 141 of the Companies Act, 2013), has been received from them. Necessary Resolutions have been passed by the Board Of Directors of the Company and has also been placed in the Audit Committee and the same has been approved. The Necessary resolution is being brought before you for your approval. Your Directors recommend the same.

INTERNAL AUDITORS

Mr.M.S Sivakumar, Chartered Accountant, is appointed as internal auditor of the Company.



He has played an important role in strengthening the Systems and internal Controls within the Company.

DISCLOSURE OF COST AUDITOR AND COST AUDIT REPORT

As per Section 148 of the Companies Act, 2013 read with Rules framed there under, M/s. Nagarajan & Co, Practicing Cost Accountants, (Firm's Membership No; 000088) were appointed as Cost Auditors for the financial year 2016-2017 to conduct cost audit of the accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee. The requisite resolution for ratification of remuneration of cost Auditors by members of the Company has been set out in the Notice of ensuing annual general meeting. They have also been appointed as Cost Auditors for financial year 2017-18 by the Board of Directors, upon recommendation of Audit Committee, to conduct cost audit of the accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules.

The Cost Audit Report for the financial year 2016-17, issued by M/s. Nagarajan & Co, Cost Auditors, in respect of the various products prescribed under Cost Audit Rules will be filed within the due date prescribed by the Act.

CORPORATE GOVERNANCE

A detailed report on corporate governance, together with a certificate from the Statutory Auditors, in compliance with Reg 15(2) of the SEBI (LODR) Regulations, 2015 is attached as part of this report vide "ANNEXURE II".

CORPORATE SOCIAL RESPONSIBILITY

Based on last three years average Net Profit, the Company is required to spend a sum of Rs.35,62,878, in the year 2016-17. The Company is working out for schemes that could result in enduring benefits to the community at large. The Company shall find out ways and means to spend the same in the coming months and shall submit the relevant report in the ensuing year. The Company has paid to The Prime Minister's National Relief Fund.

List of CSR Activities and Composition of CSR Committee is annexed herewith as "ANNEXURE IV"

CORPORATE SOCIAL RESPONSIBILITY POLICY**PREAMBLE**

At Amarjothi, CSR policy is to reach out and contribute to the social and economic development of the underserved in which we operate.

We believe in the trusteeship concept and provide skill development, advancement of education, medical relief, research and development, relief of the poor, advancement of any other object of public.

In doing so, we build a better, sustainable way of life for the weaker sections of society and raise country's human development index.

"We have provided for the required amount. However, we could not start spending on any



specific project. The amount will be spent on the projects as per CSR Committee's suggestions in the ensuing year."

CORPORATE SOCIAL RESPONSIBILITY PURPOSE STATEMENT

The Company shall seek to impact the lives of the disadvantaged by supporting and engaging in activities that aim to improve their wellbeing. We are dedicated to the cause of empowering people, educating them and in improving their quality of life. While we will undertake programmes based on the identified needs of the community, education and healthcare shall remain our priority. Across the different programme areas identified by the company, it would be our endeavour to reach the disadvantaged and the marginalised sections of the society to make a meaningful impact on their lives. We are committed to identifying and supporting programmes aimed at:

- Empowerment of the disadvantaged sections of the society through education, access to and awareness about financial services and the like;
- Provision of access to basic necessities like healthcare, drinking water & sanitation and the like to underprivileged;
- Work towards eradicating hunger and poverty, through livelihood generation and skill development; Supporting environmental and ecological balance through afforestation, soil conservation, rain water harvesting, conservation of flora & fauna, and similar programme;
- Promotion of rural sports, nationally recognized sports, paralympic sports and Olympic sports through training of sportspersons;
- Undertake rural development projects;
- Any other programme that falls under CSR purpose listed in Schedule VII of the Companies Act, 2013 amended from time to time which are aimed at the empowerment of disadvantaged sections of the society.

SCOPE

This policy will apply to all projects/programmes undertaken as part the Company's Corporate Social Responsibility and will be developed, reviewed and updated periodically with reference to relevant changes in corporate governance, international standards and sustainable and innovative practices. The policy will maintain compliance and alignment with the activities listed in Schedule VII and Section 135 of the Companies Act 2013 and the rules framed there under.

GOVERNANCE

The approval of the CSR policy and oversight is the responsibility of the Company's Board of Directors. The responsibility of the CSR committee is to formulate the policy and to administer the policy through implementing partner(s) or via self-implementation. The CSR Committee shall provide guidelines for projects/partner selection to the respective HR or CSR teams, wherever applicable. The CSR committee is to ensure that projects/programmes are compliant with regulations and are monitored and reported effectively. As the Company's CSR activities evolve, the policy may be revised by the CSR committee and approved by the Board of Directors.

**CSR EXPENDITURE**

The CSR Committee shall recommend to the Board the amount of expenditure to be incurred on the CSR activities to be undertaken by the company as approved by the Board. In case of any surplus arising out of CSR projects, the same shall not form part of business profits of the Company.

IMPLEMENTATION

The Company shall undertake CSR project/programmes identified by the CSR Committee and approved by the Board of Directors in line with the CSR Policy.

The Company shall implement its CSR programmes/projects:

- a) Through an implementation partner that can be a public charitable trust or a society registered under applicable Acts or a Company registered under Section 8 of the Companies Act 2013; or
- b) On its own, through the relevant HR or CSR department or through its own foundation (if applicable) specifically created for implementing its CSR initiatives.

The Company may enter into partnerships or alliances with NGOs, Trusts, or other Corporate Foundations etc. to effectively implement its CSR programmes/projects.

The Company can also implement programme(s) in collaboration with other company(ies), if permissible and feasible in such a manner that the CSR Committee is in a position to report separately on such projects / programs.

The Company shall formulate criteria and procedure for selection, screening and due diligence of its implementing partners.

MONITORING AND REPORTING

The CSR Committee will oversee the implementation and monitoring of all CSR projects/programmes and periodic reports shall be provided for review to the Board. The Company will institute a well-defined, transparent monitoring and review mechanism to ensure that each CSR project/programme has:

1. Clear objectives developed out of the societal needs that may be determined through need assessment studies and research (secondary or primary);
2. Clear targets, time lines and measurable indicators, wherever possible;

A progress monitoring and reporting framework that is aligned with the requirements of Section 135 of the Companies Act 2013 and the CSR Rules.

PERSONNEL

In term of the provision of Section 197(12) of Act read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are annexed to this report as "ANNEXURE VIII".



DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaints were received during the year 2016-17.

DIRECTORS' RESPONSIBILITY STATEMENT

Your directors confirm that

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the Company for that period;
3. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The directors had prepared the annual accounts on a going concern basis;
5. The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your directors gratefully acknowledge the support and co-operation extended to your Company by all the customers, shareholders and bankers.

Your directors also place on record their appreciation of the tireless efforts of Team Amarjothi, a dedicated and loyal band of people who have displayed unswerving commitment to their work in these challenging times and helped the Company deliver good results.

The Company extends its thanks to the Central and State Government authorities for their continued co-operation and assistance.

MAY LORD VENKATESWARA SHOWER HIS BLESSINGS FOR THE CONTINUED PROSPERTIY OF THE COMPANY.

By order of the board

Place : Tirupur
Date : 28.07.2017

(Sd/-) **N.RAJAN**
Chairman
DIN: 00390813

(Sd/-) **R.PREMCHANDER**
Managing Director
DIN: 00390795



MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

1. INDUSTRY STRUCTURE AND DEVELOPMENT:

Textile industry is India's major industry and one of the age old industry. With the modernization of the industry substantial capacity expansion has taken place in the textile sector. Industry has gone through rising raw material cost, scarcity of power, labour, market fluctuation and fluctuation in currency rates etc.

2. OPPORTUNITIES AND THREATS:

This Company being a major supplier of melange yarn to the Tirupur market with its local presence, there is good scope for improved turnover and profitability. The Company has been improving its share of value added yarn in the market in the form of Dyed fibre yarn, Dyed cotton yarn, PC yarn, etc. The Company offers competitive price due to low power cost through windmills, low interest cost, low processing cost, etc. The Company has obtained ISO 9001:2000 Certification, MGMT.SYS RVAC 216 Certification for quality management and systems and OEKO TEX STANDARD– 100 Certification for not using harmful substances in the product.

Though presently there is a certain lack of clarity in the general market conditions, no unit - specific threat to the operations and performance of the Company is perceived in the long run. However any major changes in export / import policies related to cotton and yarn and foreign currency fluctuations will have their impact on textile sector. Current Price fluctuations in yarn will affect the Market of our product in the forthcoming period. More over we are facing Labour scarcity and it will have impact on our production. Power generated by wind mills are not fully utilized by the Electricity Board and due to this wind mills were kept idle for some times.

3. SEGMENT-WISE PERFORMANCE:

The Company operates only in one segment and the operational results are mentioned elsewhere in this report.

4. OUTLOOK:

The Company will continue to perform well in the domestic market. The Company is in the process of implementing several cost saving measures, which will make the product more competitive.

RISKS AND CONCERNS:

With our presence in three continents we are exposed to risks which can adversely impact our operating performance, cash flows, financial performance, management performance and overall sustainability. We have an active risk management strategy in the place for the company, whose role is to identify potential risks, create mitigation strategies and monitor the occurrence of risk.

The risks that may affect us include, but are not limited to:

- Economic conditions.
- Inflationary pressure and other factors affecting demand for our products.
- Increase in costs of raw material, transport and storage.



- Supplier and distributor relationships and retention of distribution channels.
- Competitive market conditions and new entrants to the market.
- Labour shortages and attrition of key staff.
- Exchange rate fluctuation and arbitrage risk.
- Compliance and regulatory pressures including changes to tax laws.
- Seasonal fluctuations.
- Political risks associated with unrest and instability in countries where we have a presence or operation
- Power shortage

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate internal control systems and procedures commensurate with its size and nature of its business for the purchase of raw materials, plant and machinery, components and other items and for sale of goods. The adequacy of the internal control system is also periodically reviewed by the Audit Committee.

6. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The financial performance of the Company has been discussed at length in the directors' report to the members.

7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT :

The Company has required number of skilled / semi-skilled persons and places emphasis on training for improving quality and productivity.

8. HEALTH AND SAFETY MEASURES :

The Company has taken medical insurance cover for all workers. Adequate safety measures have been taken in all our plants for prevention of any untoward incidents.

9. CAUTIONARY STATEMENT :

Statements made in this report regarding the Company's objectives, projections, expectations and predictions may be forward looking statements under the applicable securities law and regulations. Actual results could differ materially from those expressed or implied. Some of the important factors that could make a difference to the Company's operations include global and domestic demand- supply conditions, finished goods prices, raw material costs and availability, interest rates, fuel prices, fluctuations in exchange rates, changes in government regulations and tax structure, economic developments in the domestic and overseas market and other incidental factors.

By order of the board

Place : Tirupur
Date : 28.07.2017

(Sd/-) **N.RAJAN**
Chairman
DIN: 00390813

(Sd/-) **R.PREMCHANDER**
Managing Director
DIN: 00390795



CEO/CFO CERTIFICATION

To

The Board of Directors
Amarjothi Spinning Mills Limited

We, the undersigned, in our respective capacities as Managing Director and Chief Executive Officer of Amarjothi Spinning Mills Limited ("the Company"), to the best of our knowledge and belief certify that:

- a) We have reviewed the financial statements and the cash flow statement for the Financial Year ended 31st March, 2017 and based on our knowledge and belief, we state that :
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - i) significant changes, If any, in the internal control over financial reporting during the year;
 - ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Tirupur

(Sd/-) **R.PREMCHANDER**

(Sd/-) **P.SINGARAVELU**

Date: 28.07.2017

Managing Director

Chief Financial Officer



ANNEXURE – I TO DIRECTOR’S REPORT

The information required under Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8 of the Companies (accounts) Rules 2014 as follows :

A. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

CONSERVATION OF ENERGY:

1. The steps taken or impact on conservation of energy : Started replacement of super Fans of 35W(350 Nos) which consume less power in place of 70W(350 Nos) old fans.

70W X 350 Nos.(24500 Watts) old fans replaced with 35WX350 Nos.(12250 Watts) super fans for less power consumption.

2. The steps taken by the Company for utilising alternate sources of energy:

Power purchase contract with Amarjothi Wind Farms and Amarjothi Power Generation & Distribution Company Ltd.

3. The capital investment on energy conservation equipments: NIL

4. a) Measures taken

- i) Continuous monitoring of energy consumption.
- ii) Optimization of power parameters.
- iii) Improving power factor

- b) Proposed measures

Installed under trial basis Humifogg system for power saving purpose in one unit. After trial it will be installed in all units.

B. RESEARCH AND DEVELOPMENT

The Company is a member of SITRA (South India Textile Research Association) and is being benefited from their R & D activities. Significant improvements have been made in the quality of the melange yarn.

C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

a) The efforts made towards technology absorption

- The latest technology has been/is being adopted in various stages

AMARJOTHI SPINNING MILLS LIMITED



b) The benefits derived as a result of above efforts

- Increase in productivity
- product quality improvement
- reduction in consumption of power.

c) Imported Technology : None

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earnings : Rs. 745.12 Lakhs

Foreign Exchange outgo : Rs. 273.80 Lakhs


ANNEXURE – II
REPORT ON CORPORATE GOVERNANCE
1. COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in systematic approach, professionalism, accountability and transparency. It will constantly endeavor to improve in all spheres of activity.

2. BOARD OF DIRECTORS

All the members of the Board are eminent persons with considerable expertise and experience in the engineering, banking, finance, accounts and audit, Legal consulting and Capital Market. The Company is immensely benefited by the range of experience and skills that the Directors bring to the Board.

The Composition of the Board is in conformity with the listing agreement requirements as on 31st March 2017.

Name of the Director	DIN	Attendance Particulars		Directorships in other Public Limited Companies		Committees in which Chairman / Member of other Public Limited Companies*	
		Board Meetings	AGM	Chairman	Director	Chairman	Member
Promoter Directors							
Sri. N.Rajan	00390813	4	Yes	-	2	-	-
Sri. R.Premchander (Executive)	00390795	4	Yes	-	3	-	-
Sri. R.Jaichander (Executive)	00390836	4	Yes	-	2	-	-
Sri. N.Radhakrishnan	00390913	4	Yes	-	-	-	-
Independent-Non-Executive Directors							
Dr. V.Subramaniam	00781690	4	Yes	-	-	-	-
Sri. V.T.Subramanian	02311576	4	Yes	-	-	-	-
Sri. V.Manikandan	01920550	4	Yes	-	-	-	-
Sri. M.S.Sivakumar	06930290	4	Yes	-	-	-	-
Smt. M.Amutha	07137884	4	Yes	-	-	-	-
Non-Executive Directors							
Sri. M.Moorthi	06801357	4	Yes	-	-	-	-

*Audit Committee and Stakeholders' Relationship Committee considered.

All Directors and Senior Management Personnel have re-affirmed compliance with the Code of Conduct approved and adopted by the Board of Directors.



3. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has familiarised the Independent Directors with their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model etc. through a familiarisation programme. Details of the familiarisation programme have been disclosed on the company's website : <http://www.amarjothi.net/>

4. BOARD MEETINGS

The Board of Directors formulates the broad business and operational policies, periodically reviews the performance and engages itself with strategic issues concerning the Company.

During the year under review, 4 meetings of the Board of Directors were held as given below:

27 th May 2016	29 th July 2016	29 th October 2016	30 th January 2017
---------------------------	----------------------------	-------------------------------	-------------------------------

5. AUDIT COMMITTEE

The Audit Committee reviews the financial accounting policies, adequacy of internal control systems and systems audit and interacts with the statutory auditors, internal auditors and system auditors. Senior Executives and functional heads are invited to the committee meetings. Besides, the Committee reviews the audit plans, interim and annual financial results, management discussion and analysis of financial condition and results of operations, related party transactions, observations of the management and internal / external auditors on internal control and follow-up reports of the management.

Composition of the Audit Committee and attendance of the members at Committee meetings are as follows:

Name of Director	Designation	No. of meetings attended	Meeting dates
Sri. V.T. Subramanian	Chairman	4	} 27 th May 2016 29 th July 2016 29 th October 2016 30 th January 2017
Dr. V. Subramaniam	Member	4	
Sri. N. Rajan	Member	4	

6. NOMINATION COMPENSATION AND REMUNERATION COMMITTEE

The Nomination Compensation and Remuneration Committee has formulated criteria for evaluation of the Board and non-independent directors for the purpose of review of their performance at a separate meeting of the Independent Directors. Further, the Committee has recommended a policy relating to the remuneration of the directors,



key managerial personnel and other employees which, inter alia, includes the principles for identification of persons who are qualified to become directors.

The criteria laid down for evaluation of the directors and the remuneration policy, as approved and adopted by the Board, are attached as part of this report vide Annexures II (i).

Composition of the Nomination, Compensation and Remuneration Committee and attendance of the members at Committee Meetings are as follows.

Name	Designation	No. of Meetings	Meeting dates
Dr. V. Subramaniam	Chairman	1	29.07.2016
Sri. V. T. Subramanian	Member	1	
Sri. N. Rajan	Member	1	

7. SEPARATE MEETING OF INDEPENDENT DIRECTORS

A Separate Meeting of Independent Directors was held on 30th January, 2017 without the attendance of non-independent directors and members of management. All the Independent Directors attended the meeting and:

- reviewed the performance of non-independent directors and the Board as a whole;
- reviewed the performance of the Chairperson of the Company, taking into account the views of executive directors and non- executive directors;
- assessed the quality, quantity and timelines of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

8. REMUNERATION OF DIRECTORS

The Remuneration, Commission and Sitting Fees paid to the Directors for the year 2016-2017 was as follows:

Directors	Salary and Perquisites (Rupees)	Commission (Rupees)	Sitting Fees (Rupees)	Number of shares held individually	Relationship with other Directors
1) Sri. N. Rajan	Nil	1983372	3000	1164980	Father of Mr. Premchander & Mr. Jaichander
2) Sri. R. Premchander	720000	9196858	Nil	1275653	Son of Mr. N. Rajan & Brother of Mr. Jaichander
3) Sri. R. Jaichander	720000	9196858	Nil	1275498	Son of Mr. N. Rajan & Brother of Mr. Premchander
4) Dr. V. Subramaniam	Nil	Nil	3000	Nil	-

AMARJOTHI SPINNING MILLS LIMITED



Directors	Salary and Perquisites (Rupees)	Commission (Rupees)	Sitting Fees (Rupees)	Number of shares held individually	Relationship with other Directors
5) Sri. N. Radhakrishnan	Nil	Nil	3000	Nil	Brother of Mr. N. Rajan
6) Sri. V.T. Subramanian	Nil	Nil	3000	Nil	-
7) Sri. M. Moorthi	Nil	Nil	3000	Nil	-
8) Sri. V. Manikandan	Nil	Nil	3000	Nil	-
9) Sri. M.S. Sivakumar	Nil	Nil	3000	Nil	-
10) Smt. M. Amutha	Nil	Nil	3000	Nil	-

9. STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee

- approves and monitors transfer, transmission, splits and consolidation of securities of the Company,
- reviews the redressal of grievances / complaints from shareholders and debenture holders on matters relating to transfer of shares, non-receipt of annual report, dividends, interest etc., and
- reviews the compliances with various statutory and regulatory requirements.

Composition of the Stakeholders Relationship Committee and attendance of the members at Committee meetings are as follows:

Name of the Member	Designation	No. of Meetings Attended	Meeting dates
Sri. V.T. Subramanian	Chairman	4	27 th May 2016 29 th July 2016 29 th October 2016 30 th January 2017
Sri. R. Premchander	Member	4	
Sri. R. Jaichander	Member	4	

No share transfer requests were pending as on 31st March 2017. During the year 3 letters were received from investors regarding non-receipt of dividend warrants, annual reports, share certificates, etc. and all of them were replied to/ resolved to their satisfaction. None was pending unresolved as on 31st March 2017.

Smt.K.Mohanapriya, Company Secretary, is the Compliance Officer.

Contact Details of Compliance Officer:

Smt.K.Mohanapriya,
 Company Secretary & Compliance Officer,
 Amarjothi House,
 157, Kumaran Road, Tirupur – 641 601.
 E-mail : mill@amarjothi.net



10. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee has formulated a Corporate Social Responsibility Policy indicating the CSR activities to be undertaken by the company in accordance with Schedule VII to the Companies Act, 2013. The terms of reference of the CSR Committee include recommending to the Board the amount of expenditure to be incurred on the CSR activities and monitoring the implementation of the CSR Policy from time to time. The CSR Policy of the Company, as approved and adopted by the Board, has been posted on the website of the Company.

Composition of the Corporate Social Responsibility Committee and attendance of the members at Committee meetings are as follows:

Name of the Member	Designation	No. of Meetings Attended	Meeting dates
Sri. M. Moorthi	Chairman	1	30.01.2017
Sri. R Jaichander	Member	1	
Sri. V. Manikandan	Member	1	

11. GENERAL BODY MEETINGS

The location and time of the annual general meetings held during the last three years are as follows:

Year	Date	Time	Venue	No. of Special Resolutions Passed
2014	05 th September, 2014	11.00 A.M.	Meeting Hall of Gayathri Hotel, Kangeyam Road, Tirupur – 641 604	ONE
2015	25 th September, 2015	11.00 A.M.	Meeting Hall of Gayathri Hotel, Kangeyam Road, Tirupur – 641 604	NIL
2016	28 th September, 2016	11.00 A.M.	Meeting Hall of Gayathri Hotel, Kangeyam Road, Tirupur – 641 604	NIL

The results of the e-voting were announced by Sri N Rajan, Chairman, at the Registered Office of the Company and posted on the website of the Company.

No Special resolution is proposed to be passed through postal ballot at the ensuing AGM.

12. WHISTLE BLOWER POLICY

During the year the Company adopted a Whistle Blower Policy and established the necessary vigil mechanism for Directors and Employees to report concerns about unethical behavior. The mechanism provides for adequate safeguards against victimization. Further, no person has been denied access to the Audit Committee.



The Whistle Blower Policy is available under the following website:
<http://www.amarjothi.net/>

13. DISCLOSURES

- There were no materially significant related party transactions having potential conflict with the interests of the company at large.
- All the mandatory requirements specified under Regulation have been complied with. The Company will continue to adopt other non-mandatory requirements as appropriate. The Company has a record of unqualified financial statements since inception.

14. MEANS OF COMMUNICATION

- Quarterly unaudited and annual audited results of the Company were published in "Trinity Mirror" (English) and "Makkal Kural" (Tamil).
- The results and press release were also displayed on the Company's website at [http:// www.amarjothi.net](http://www.amarjothi.net)
- Shareholders have been provided with an opportunity to provide their email id for receiving correspondence and annual report in electronic form.

15. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date	Time	Venue
25 th September 2017 (Monday)	11.00 AM	Meeting Hall, Gayathri Hotel, Opp. Velan Hotels, Kangayam Road, Tirupur – 641 604. Phone : 0421-2234734

- Financial Year – 1st April to 31st March
- Book Closure Dates – 19th September 2017 to 25th September 2017 (both days inclusive)
- Date of payment of dividends Final – on or before 25th October 2017 - Rs. 2/- per share (20%)
- The Company's shares are listed on: Bombay Stock Exchange of India Limited
- The Company has paid the listing fees for the financial year 2016-17 to the above stock exchange.
- Stock Code: BSE is 521097
- Details of outstanding shares in Amarjothi Spinning Mills Limited Unclaimed Shares Suspense Account.

AMARJOTHI SPINNING MILLS LIMITED



Particulars	No. of Shareholders	Total no. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	5	500
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year.	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	5	500
That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	Yes	

Following Dividends are transferable to the Investor Education and Protection Fund (IEPF) on the respective due dates, as under, in accordance with the provisions of Sections 124(5) and 125 of the Companies Act, 2013.

Amount of Dividend	Dividend for the Financial Year	Due date of credit to the Central Government	Date of Transfer to the Central Government
576500	2009-10	29 th Oct 2017	29 th Oct 2017

Reminders are sent to members for encashing unclaimed and unpaid dividends, on a regular basis. Members who have not yet made claims are, therefore, requested to contact the Registrar and Share Transfer Agents immediately.

MARKET PRICE DATA

The Company's stock code in BSE is 521097. The High and Low quotations of the Company's shares on the (BSE) from April 2016 to March 2017 are given below:

Month	BSE	
	High (Rs.)	Low (Rs.)
April-2016	94.30	76.50
May-2016	104.00	75.15
June-2016	87.80	71.00
July-2016	101.55	78.30
August-2016	121.85	101.00
September-2016	120.95	100.00
October-2016	166.50	104.20
November-2016	168.00	127.00
December-2016	158.00	126.00
January-2017	168.00	133.50
February-2017	157.75	138.00
March-2017	159.40	148.00

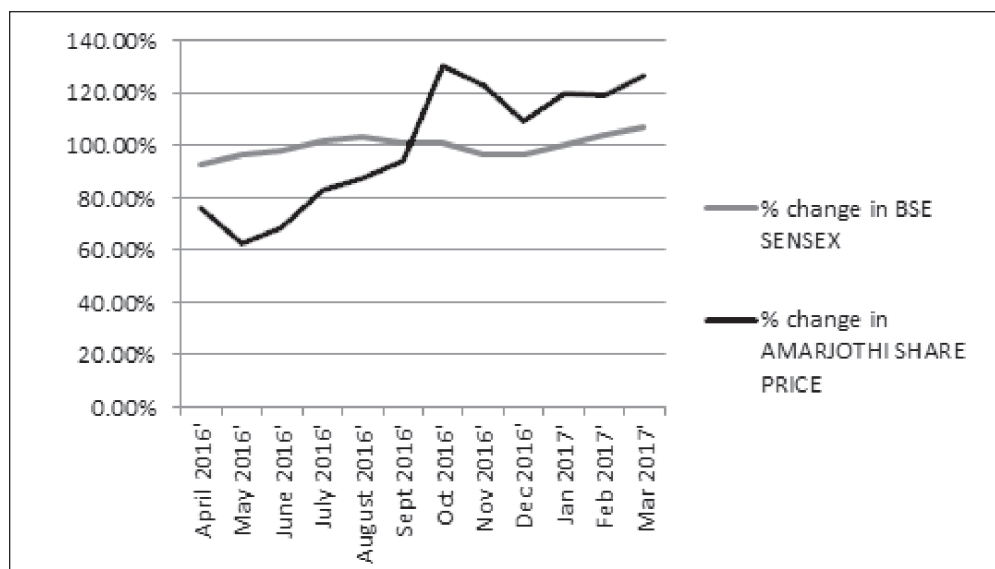
AMARJOTHI SPINNING MILLS LIMITED



Performance in comparison to broad based indices

Amarjothi Share performance (April 2016 to March 2017)

BSE Sensex Vs Amarjothi Share Price



Share transfers were processed and share certificates dispatched within 15 days from lodgment in accordance with the stock exchange listing agreement.

Dematerialisation requests have been confirmed within 21 days from the date of request.

M/s SKDC Consultants Limited, Registrars and Share Transfer Agents of the company have attended to the share transfer formalities regularly. The Registrar and Share Transfer Agents can be contacted by the investors at the following address:

M/s SKDC Consultants Limited
Kanapathy Towers, 3rd Floor, 1391/A-1 ,
Sathy Road, Ganapathy, Coimbatore – 641 006.
Telephone : 0422-6549995,2539835 Fax No. : 0422-2539837
E-mail : info@skdc-consultants.com

Contact Persons : Mr. K. NARENDRA , Managing Director,
Mr. MARIMUTHU

AMARJOTHI SPINNING MILLS LIMITED**DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2017**

Slab of Shareholding	Shareholders	%	No. of Shares	%
0-5000	7834	99.49	1661709	24.62
5001 – 10000	19	0.24	148629	2.20
10001 and above	21	0.27	4939662	73.18
Total	7874	100.00	6750000	100.00

SHAREHOLDING PATTERN AS ON 31ST MARCH 2017

Category	No. of Shares held	%
Indian Promoters	3795573	56.231
Financial Institutions & Mutual Funds	100	0.001
Bodies Corporate	163104	2.416
Indian Public	2572664	38.114
NRI	65746	0.974
Clearing Members	33949	0.503
HUF	118864	1.761
Total	6750000	100.00

Mode	No. of Shares	% of Listed Capital
Depository	6231619	92.32
Physical	518381	7.68
Total	6750000	100.00

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS AS ON 31ST MARCH 2017

Sri.N.Rajan, Chairman holds 1164980 equity shares. The other non-executive directors do not hold any shares.

PLANT LOCATIONS:

Spinning unit : Pudukuripalayam, Nambiyur-638458, Gobi Taluk.

Processing Unit : SIPCOT, Perundurai, Erode Dist.

INVESTOR CORRESPONDENCE:

The Company Secretary & Compliance officer,
Amarjothi Spinning Mills Limited, Amarjothi House,
157, Kumaran Road, Tirupur-641601.

By order of the board

Place : Tirupur

Date : 28.07.2017

(Sd/-) **N.RAJAN**

Chairman
DIN: 00390813

(Sd/-) **R.PREMCHANDER**

Managing Director
DIN: 00390795



AUDITOR CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of AMARJOTHI SPINNING MILLS LIMITED,

I have examined the compliance of conditions of Corporate Governance by AMARJOTHI SPINNING MILLS LIMITED, for the year ended 31.03.2017, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015('Listing Regulations') as stipulated in Regulations 17 to 27 of Chapter IV.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement/Listing Regulations.

I state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Tirupur
Date : 28.07.2017

(Sd/-) V. Narayanaswami M.A., F.C.A
Chartered Accountant
Membership No. 023661



CRITERIA FOR EVALUATION

(As approved by the Board on 30th January 2017)

Criteria for evaluation of the Board and non-independent directors at a separate meeting of independent directors:

1. Composition of the board and availability of multi-disciplinary skills.
Whether the Board comprises of directors with sufficient qualifications and experience in diverse fields to make Company a versatile institution.
2. Commitment to good Corporate Governance Practices
 - (a) Whether the company practices high ethical and moral standards.
 - (b) Whether the company is fair and transparent in all its dealings with the stake holders.
3. Adherence to Regulatory Compliance
Whether the company alters to the various Government regulations.....Local, state and central, in time.
4. Track record of financial performance
 - (a) Whether the Company has been consistently recording satisfactory and profitable financial performance year on year adding to share holder value.
 - (b) Whether the Company is transparent in all its disclosures on financial data.
5. Grievance redressal mechanism
Whether a proper system is in place to attend to the complaints /grievances from the shareholders, depositors, customers, employees and others quickly and fairly.
6. Existence of integrated Risk management system
Whether the company has integrated risk management system to cover the business risks.
7. Use of Modern Technology
 1. Whether the Company has an integrated IT strategy and whether there is any system for periodical technology up gradation covering both hardware and software.
8. Commission to CSR
 1. Whether the Company is committed to social clauses and CSR and whether there is a system to identify, finance and monitor such social activities.

Criteria for evaluation of chairman at separate meeting of Independent Directors:

1. Leadership qualities
2. Standard of Integrity
3. Understanding of Macroeconomic trends and Micro industry trends.
4. Public Relations
5. Future Vision and Innovation

Criteria for evaluation of Independent Directors by the entire Board:

1. Qualifications & Experience
2. Standard of Integrity
3. Attendance in Board Meetings/AGM
4. Understanding of Company's business
5. Value addition in Board Meetings

Criteria for evaluation of the Audit Committee by the Board:

1. Qualification & Experience of members
2. Depth of review of financial parameters
3. Oversight of Audit & Inspection
4. Review of Regulatory compliance
5. Fraud monitoring



ANNEXURE II (i)

NOMINATION, REMUNERATION AND EVALUATION POLICY INTRODUCTION

In terms of section 178 of the Companies Act, 2013 and the Listing Agreement, entered into by the company with Stock Exchange, as amended from time to time, this policy on nomination and remuneration of directors, Key Managerial Personnel (KMP), senior management and other employees of the company has been formulated by the nomination and remuneration committee of the company and approved by the board of directors vide its resolution dated 30.05.2014. This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a director, matters relating to the remuneration, appointment, removal and evaluation of performance of the directors, KMP and Senior Management Personnel including functional heads (one level below the Board).

OBJECTIVE OF THE POLICY

The policy is framed with the objective(s):

1. That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, KMP, Senior Management Personnel of the quality required to run the company successfully.
2. That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
3. That the remuneration to directors, KMP, and Senior Management Personnel (one level below the Board) of the company involves a balance between fixed and incentive pay reflecting short and long- term performance objectives appropriate to the working of the company and its goals.
4. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become directors (Executive and Non-executive) and persons who may be appointed in Senior Management (one level below the Board), key managerial positions and to determine their remuneration.
5. To determine remuneration based on the company's size and financial position and trends and practices on remuneration prevailing in peer companies in the industry.
6. To carry out evaluation of the performance of directors, as well as key managerial and Senior Management Personnel (one level below the Board) and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the company's operations; and
7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
8. To lay down criteria for appointment and removal of directors, KMP and Senior Management Personnel (one level below the Board) and evaluation of their performance. In the context of the aforesaid criteria the following policy has been formulated by the nomination and remuneration committee and adopted by the board of directors at its meeting held on 30.05.2014.

DEFINITIONS

In this policy unless the context otherwise requires:

1. 'Act' means Companies Act, 2013 and rules there under



AMARJOTHI SPINNING MILLS LIMITED

2. 'Board of directors' or 'board', in relation to the company, means the collective body of the directors of the company
3. 'Committee' means Nomination and Remuneration Committee of the company as constituted or reconstituted by the board
4. 'Company' means Amarjothi Spinning Mills Limited
5. 'Directors' means directors of the company
6. 'Independent Director' means a director referred to in Section 149 (6) of the Companies Act, 2013
7. 'Key Managerial Personnel' (KMP) means:
 - a) Chief Executive Officer and / or Managing Director
 - b) Whole-time Director
 - c) Chief Financial Officer
 - d) Company Secretary
 - e) Such other officer as may be prescribed
8. 'Ministry' means the Ministry of Corporate Affairs
9. 'Regulations' refers to and comprise of Companies Act, 2013, The Companies (Meeting of Board and its Powers) Rules, 2014, The Companies (Appointment and Qualification of Directors) Rules, 2014, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Listing Agreement and such other rules and provisions as applicable to the matters dealt in by this policy
10. 'Senior Management Personnel' for this purpose shall mean employees of the company who are members of its core management team excluding board of directors. It would comprise all members of management one level below the Board, including the functional heads.
11. Senior Management means executive positions one level below the Board of Directors including functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time, shall have the meaning respectively assigned to them therein.

CONSTITUTION OF THE COMMITTEE

The committee will consist of three or more non-executive directors, out of which at least one-half shall be independent director(s), provided that chairperson of the company may be appointed as a member of this committee but shall not chair the committee.

The committee will meet at such intervals as it may deem fit to carry out the objectives set out in the policy. A quorum of two members is required to be present for the proceedings to take place. The committee members may attend the meeting physically or via permitted audio-visual mode, subject to the provisions of the applicable Regulations. The committee shall have the authority to call such employee(s), senior official(s) and / or externals, as it deems fit. The Company Secretary shall act as secretary to the committee.

FUNCTIONS OF THE COMMITTEE

The committee shall, inter-alia, perform the following functions:

1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board



- their appointment and removal and shall carry out evaluation of every director's performance
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board a policy, relating to the remuneration for the directors, key managerial personnel, Senior Management Personnel and other employees
 3. Ensure that the board comprises of a balanced combination of executive directors and non- executive directors and also the independent directors
 4. Devise framework to ensure that directors are inducted through suitable familiarization process covering their roles, responsibility and liability
 5. Oversee the formulation and implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI guidelines
 6. Decide/ approve details of fixed components and performance linked incentives along with the performance criteria
 7. Formulate the criteria for evaluation of independent directors and the board
 8. The committee shall assist the board in ensuring that plans are in place for orderly succession for appointments to the board and to senior management
- The chairman of the committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the chairman to decide who should answer the queries.
- Provided that committee may set up mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the directors and / or officers of the company, as deemed necessary for proper and expeditious execution.

APPLICABILITY

This policy is applicable to:

1. Directors (Executive and Non-executive)
2. KMP
3. Senior management personnel

APPOINTMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT

1. The committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as director, KMP or at senior management level and recommend to the board his / her appointment
2. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.
3. Appointment of independent directors is subject to compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules there under
4. The company shall not appoint or continue the employment of any person as whole-time director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years

**MANAGING DIRECTOR / WHOLE-TIME DIRECTOR**

The company shall appoint or re-appoint any person as its managing director, whole time director or executive director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

INDEPENDENT DIRECTOR

Subject to the provisions of the applicable Regulations, an independent director shall hold office for a term up to five consecutive years on the board of the company and will be eligible for re-appointment on passing of a special resolution by the company.

No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after expiry of three years of ceasing to become an independent director. Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

At the time of appointment of independent director, it should be ensured that number of boards on which such independent director serves is restricted to seven listed companies as an independent director and three listed companies as an independent director in case such person is serving as a whole-time director of a listed company or such prescribed number by the statutory authority from time to time

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTOR

1. The company shall familiarize the independent directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc. through various programs
2. The details of such familiarization programs shall be disclosed on the company's website and a web link thereto shall also be given in the Annual Report

EVALUATION

Following are the criteria for evaluation of performance of independent directors and the board:

1. Executive Directors

The executive directors shall be evaluated on the basis of targets/ criteria given to executive directors by the board from time to time

2. Non-Executive Director

The Non-Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- a) Act objectively and constructively while exercising their duties;
- b) Effectively deploy knowledge and expertise;
- c) Maintain confidentiality and Integrity and Independence of behavior and judgment;
- d) Exercise their responsibilities in a bona-fide manner in the interest of the company;
- e) Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- f) Do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;



AMARJOTHI SPINNING MILLS LIMITED

- g) Refrain from any action that would lead to loss of his independence
- h) Inform the board immediately when they lose their independence,
- i) Assist the company in implementing the best corporate governance practices.
- j) Strive to attend all meetings of the board of directors and the committees;
- k) Participate constructively and actively in the committees of the board in which they are chairpersons or members;
- l) Keep themselves well informed about the company and the external environment in which it operates;
- m) Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- n) Abide by company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

DISQUALIFICATIONS FOR APPOINTMENT OF DIRECTORS

A person shall not be eligible for appointment as a director of the company, if he is disqualified under section 164 of the Companies Act, 2013 or under any other regulations.

REMOVAL

The committee may recommend, to the board with reasons recorded in writing, removal of a director, KMP or senior management personnel subject to the provisions of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

RETIREMENT

The Director, KMP and senior management personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the company. The board will have the discretion to retain the director, KMP, senior management personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the company.

BOARD DIVERSITY

The board of directors shall have the optimum combination of directors from the different areas /fields like management, finance, marketing, legal etc. or as may be considered appropriate.

The board shall have at least one board member who has accounting or related financial management expertise and at least three members who are financially literate.

MATTERS RELATING TO THE REMUNERATION, PERQUISITES FOR THE DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL

1. The remuneration/ compensation/ profit-linked commission etc. to the executive and non-executive directors will be determined by the committee and recommended to the board for approval. The remuneration/ compensation/ profit-linked commission etc. shall be in accordance with the percentage/ slabs/ conditions laid down in the Act and shall be subject to the prior/ post approval of the shareholders of the company and Central Government, wherever required.
2. The committee may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfillment of specified improvement targets or the attainment of certain financial or other objectives set by the board. The amount payable is determined by the committee, based on performance against pre-determined financial and non-financial metrics.



3. As regards the remuneration of KMP, senior management personnel and other employees, the determination shall be effected by way of presentation before the committee, which would have requisite details. The committee shall peruse the same and approve accordingly.

REMUNERATION TO WHOLE-TIME / EXECUTIVE / MANAGING DIRECTOR**Remuneration**

The whole-time director shall be eligible for remuneration as may be approved by the shareholders of the company on the recommendation of the committee and the board of directors. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the board on the recommendation of the committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

Minimum remuneration

If, in any financial year, the company has no profits or its profits are inadequate, the company shall pay remuneration to its whole-time director in accordance with the provisions of the Companies Act, 2013 and if it is not able to comply with such provisions, then with the previous approval of the Central Government.

REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR**Sitting Fees**

The non-executive independent directors of the company shall be paid sitting fees and such other variable pay, if any, as per the applicable regulations. The quantum of sitting fees and variable pay, if any, will be determined as per the recommendation of the committee and approved by the board of directors of the company. The boarding and lodging expenses shall be reimbursed.

Stock Options

Pursuant to the provisions of the Act, an independent director shall not be entitled to any stock option of the company.

REMUNERATION TO KMP, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES

The Remuneration to be paid to KMPs/ senior management personnel shall be based on the experience, qualification and expertise of the related personnel.

The KMP, senior management personnel and other employees of the company shall be paid monthly remuneration as per the company's HR policies and/or as may be approved by the committee. The break- up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses etc. shall be as per the company's HR policies.

The remuneration details shall be presented before the committee which would have requisite details setting out the proposed increments for the next financial year. The committee shall peruse and forward the same to the board of directors of the company.

This remuneration policy shall apply to all future/ continuing employment/ engagement(s) with the company. In other respects, the remuneration policy shall be of guidance for the board. Any departure from the policy shall be recorded and reasoned in the committee and board meeting minutes.

**DISSEMINATION**

The details of the policy and the evaluation criteria as applicable shall be published on company's website and accordingly disclosed in the annual report as part of board's report therein.

AMENDMENT TO THE POLICY

The board of directors on its own and / or as per the recommendations of the committee can amend this policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

ANNEXURE III**ANNEXURE –III (i)– AOC-2****PARTICULARS OF CONTRACTS/ARRANGEMENTS MADE WITH RELATED PARTIES
(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013
and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

The Form pertains to the disclosure of particulars of contracts /arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

All transactions entered into by the Company during the year with related parties were on an arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

The transactions entered into by the Company during the year with related parties on an arm's length basis were not material in nature.

ANNEXURE III(ii)**POLICY ON RELATED PARTY TRANSACTIONS
(As per Regulation 23(1) of SEBI (LODR) Regulations, 2015)**

The Company shall enter into transactions with related parties only on arm's length basis, supported by agreement or formal letter. If the transaction is not on arm's length basis, then, necessary compliances under Companies Act, 2013 and / or Listing Agreement will be adhered to.

For the purpose of the above clause, transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the company.



ANNEXURE-IV	
THE ANNUAL REPORT ON THE CSR ACTIVITIES	
(Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014)	
S.NO.	PARTICULARS
1.	A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
	Refer Sections: Corporate Social Responsibility in Director's Report
2.	The Composition of the CSR Committee
	Chairman - Sri. M. Moorthi Members - Sri. R. Jaichander Sri. V. Manikandan
3.	Average net profit of the company for last three financial years
	Rs. 17,81,43,902
4.	Prescribed CSR expenditure (two percent of the amount)
	Rs. 35,62,878
5.	Details of CSR spent during the financial year.
	Total Amount to be spent for the financial year
	Rs. 35,62,878
	Amount unspent.
	Nil
	Manner in which the amount spent during the financial year is detailed below.
	The Company has plaid to The Prime Minister's National Relief Fund.
6.	In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reason for not spending the amount its Board report.
	NA
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR objectives and Policy of the Company.
	Yes
	(Sd/-) M. MOORTH Chairman
	(Sd/-) V. MANIKANDAN Independent Director
Place : Tirupur	
Date : 28.07.2017	



ANNEXURE V

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31.03.2017

Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
AMARJOTHI SPINNING MILLS LIMITED
Tirupur.

I have conducted the SECRETARIAL AUDIT of the compliance of applicable statutory provisions and the adherence to good corporate practices by AMARJOTHI SPINNING MILLS LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2017 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have also examined compliance with the applicable clauses of the following:

- (vi) Other Applicable Laws specifically applicable to the Company, namely
 - (a) Air(prevention and Control of pollution)Act,1981
 - (b) Hazardous Waste (Management Handling and Transboundary Movement)Third Amendment Rules, 2008
 - (c) TamilNadu Pollution Control Board– Norms,Rules and Regulations—from time to time amended and relevant notifications / modifications.
 - (d) Other labour laws applicable to the extent.

I have also examined compliance with the applicable clauses of the following :

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.
- iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

On the basis of the information and explanation provided, the Company had no transaction during the period under Audit requiring the compliance of applicable the provisions of Act/ Regulations/Directions as mentioned above in respect of:

- (a) Issue of securities both equity and/or debt.
- (b) Share based employee benefits.



- (c) Foreign Direct Investment, External Commercial Borrowings and overseas Direct investment.
- (d) Buy-back of securities.
- (e) Delisting of securities.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Coimbatore
Date: 28.07.2017

(Sd/-) RAMCHANDAR.R
Practicing Company Secretary
M.No.33068, CP No.12240

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.



ANNEXURE A

To
The Members
Amarjothi Spinning Mills Limited, Tirupur.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company.

Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Coimbatore
Date: 28.07.2017

(Sd/-) RAMCHANDAR.R
Practicing Company Secretary
M.No.33068, CP No.12240

AMARJOTHI SPINNING MILLS LIMITED**ANNEXURE VI****Form No. MGT - 9**

Extract of Annual Return as on the Financial Year ended on 31st March, 2017
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L17111TZ1987PLC002090
ii)	Registration Date	16/12/1987
iii)	Name of the Company	AMARJOTHI SPINNING MILLS LIMITED
iv)	Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES / INDIAN NON-GOVERNMENT COMPANY
v)	Address of the Registered office and Contact Details	Amarjothi House 157, Kumaran Road Tirupur, Tirupur District Tamil Nadu - 641 601 India Mail ID: mill@amarjothi.net
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. SKDC Consultants Limited Kanapathy Towers, 3rd Floor, 1391/A-1 , Sathy Road, Ganapathy, Coimbatore – 641 006. Telephone : 0422-6549995,2539835; Fax No. : 0422-2539837 E-mail : info@skdc-consultants.com

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Spinning	1311	100%

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Amarjothi Power generation & Distribution company Ltd Amarjothi house, 157, Kumaran road, Tirupur – 641601.	U40106TZ2002PLC010355	Associate	27.06%	2(6)

AMARJOTHI SPINNING MILLS LIMITED



I. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding as on 31st March 2017

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a. In Individual / HUF	4237697	0	4237697	62.781	3795573	0	3795573	56.23	(6.551)
b. Central Govt	0	0	0	0	0	0	0	0	0
c. State Govt(s)	0	0	0	0	0	0	0	0	0
d. Bodies Corp	0	0	0	0	0	0	0	0	0
e. Banks / FI	0	0	0	0	0	0	0	0	0
f. Any Other	0	0	0	0	0	0	0	0	0
Sub Total(A) (1):-	4237697	0	4237697	62.781	3795573	0	3795573	56.23	(6.551)
1. Foreign									
g. NRIs-Individuals	0	0	0	0	0	0	0	0	0
h. Other-Individuals	0	0	0	0	0	0	0	0	0
i. Bodies Corp	0	0	0	0	0	0	0	0	0
j. Banks / FI	0	0	0	0	0	0	0	0	0
k. Any other	0	0	0	0	0	0	0	0	0
Sub Total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of promoter and group (A)= (A) (1) + (A) (2)	4237697	0	4237697	62.781	3795573	0	3795573	56.23	(6.551)
1.a.A.Public Shareholding									
1. Institutions									
a. Mutual Funds	0	100	100	0.001	0	100	100	0.001	0
b. Banks / FI	0	0	0	0	0	0	0	0	0
c. Central Govt	0	0	0	0	0	0	0	0	0
d. State Govt(s)	0	0	0	0	0	0	0	0	0
e. Venture Capital Funds	0	0	0	0	0	0	0	0	0
f. Insurance Companies	0	0	0	0	0	0	0	0	0
g. FIs	0	0	0	0	0	0	0	0	0
h. Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i. Other(s) specify	0	0	0	0	0	0	0	0	0
Sub – Total (B) (1)	0	100	100	0.001	0	100	100	0.001	0
2. Non-Institutions									
a. Bodies Corp									
i. Indian									
ii. Overseas	200845	9200	210045	3.112	165163	9200	167063	2.416	(0.696)
b. Individuals									
i. Individual Shareholders holding nominal share capital upto Rs.1 lakh for previous year and Rs.2 Lakhs for current year	838306	520581	1358887	20.132	1139659	509081	1648740	24.426	4.294
ii. Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh for previous year and Rs. 2 lakhs for current year	869076	0	869076	12.876	923924	0	923924	13.688	0.812
c. Others. (specify)									
i. Non resident Indians	29398	0	29398	0.436	54487	0	54487	0.807	0.371
ii. Clearing Members	7015	0	7015	0.104	33949	0	33949	0.503	0.399
iii. Hindu Undivided Family	37782	0	37782	0.559	118864	0	118864	1.761	1.202
Sub- Total (B) (2)	1982422	529781	2512203	37.219	2436046	518281	2954327	43.768	6.549
Total Public Shareholding B= (B) (1) + (B) (2)	1982422	529881	2512303	37.220	2436046	518381	2954427	43.769	6.549
1.a.B. Shares held by custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
1.a.C. Grand Total (A+B+C)	6220119	529881	6750000	100	6231619	518381	6750000	100	0

AMARJOTHI SPINNING MILLS LIMITED



ii) Shareholding of Promoter as on 31st March 2017 :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Rajan.N	1164980	17.257	0	1164980	17.257	0	0
2.	Premchander.R	1275653	18.899	0	1275653	18.899	0	0
3.	Jaichander.R	1275498	18.896	0	1275498	18.896	0	0
4.	Jayanthi.S	102544	1.519	0	20123	0.298	0	(1.221)
5.	Nandhini.J	324033	4.800	0	59319	0.878	0	(3.922)
6.	Saroja.R	94989	1.41	0	0	0	0	(1.41)
	Total	4237697	62.781	0	3795663	56.232	0	(6.553)

iii) Change in Promoters' Shareholding

Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	of % total Shares of the company	No. of Shares	% of total Shares of the company
Jayanthi. S				
At the beginning of the year	102544	1.519	102544	1.519
Market sale on 05.08.2016	(5874)	(0.087)	96670	1.432
Market Sale on 07.10.2016	(3002)	(0.044)	93668	1.388
Market sale on 14.10.2016	(6342)	(0.094)	87326	1.294
Market Sale on 11.11.2016	(87326)	(1.293)	0	0
Market purchase on 11.11.2016	82326	1.220	82326	1.22
Market Sale on 13.01.2017	(2264)	(0.033)	80062	1.186
Market sale on 20.01.2017	(4500)	(0.067)	75562	1.119
Market sale on 10.02.2017	(14554)	(0.216)	61008	0.904
Market Sale on 03.03.2017	(4762)	(0.071)	56546	0.833
Market Sale on 10.03.2017	(18505)	(0.274)	37741	0.559
Market Sale on 17.03.2017	(14025)	(0.208)	23716	0.351
Market Sale on 24.03.2017	(593)	(0.009)	23123	0.343
Market Sale on 31.03.2017	(3000)	(0.044)	20123	0.298
At the end of the Year			20123	0.298
Saroja R				
At the beginning of the year	94989	1.407	94989	1.407
Market sale on 20.05.2016	(5724)	(0.085)	89265	1.322
Market sale on 05.08.2016	(33170)	(0.491)	56095	0.831
Market Sale on 12.08.2016	(12276)	(0.182)	43819	0.649
Market sale on 19.08.2016	(20775)	(0.308)	23044	0.341
Market Sale on 26.08.2016	(11724)	(0.020)	11320	0.168
Market sale on 02.09.2016	(2835)	(0.042)	8485	0.126
Market sale on 09.09.2016	(4940)	(0.073)	3545	0.053
Market sale on 23.09.2016	(3545)	(0.053)	0	0
At the end of the Year			0	0

AMARJOTHI SPINNING MILLS LIMITED


Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	of % total Shares of the company	No.of Shares	% of total Shares of the company
Nandhini. J				
At the beginning of the year	324033	4.800	324033	4.800
Market sale on 28.10.2016	(77182)	(1.143)	246851	3.657
Market sale on 04.11.2016	(109499)	(1.622)	137352	2.035
Market sale on 11.11.2016	(26154)	(0.387)	111198	1.647
Market Sale on 20.01.2017	(5161)	(0.076)	106037	1.571
Market sale on 03.02.2017	(371)	(0.005)	105666	1.565
Market Sale on 10.02.2017	(9190)	(0.136)	96476	1.429
Market sale on 10.03.2017	(17465)	(0.259)	79011	1.171
Market sale on 17.03.2017	(7000)	(0.104)	72011	1.067
Market Sale on 31.03.2017	(12692)	(0.188)	59319	0.878
At the end of the Year			59319	0.878

iv) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs)

Name	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	of % total Shares of the company	No.of Shares	% of total Shares of the company
ANIL KUMAR GOEL	At the beginning of the year	314000	4.652	314000	4.652
	At the End of the year			314000	4.652
CH KIRON	At the beginning of the year	275495	4.081	275495	4.081
	At the End of the year			275495	4.081
SATHYA S	At the beginning of the year	103390	1.532	103390	1.532
	Market purchase on 29.04.2016	270	0.004	103660	1.536
	Market purchase on 24.06.2016	2430	0.036	106090	1.572
	Market purchase on 08.07.2016	2859	0.042	108949	1.614
	Market purchase on 29.07.2016	1641	0.024	110590	1.638
	Market purchase on 09.09.2016	4500	0.067	115090	1.705
	Market purchase on 14.10.2016	(115090)	(1.705)	(115090)	1.705
	At the End of the year			0	0
SHIVANI TEJAS TRIVEDI	At the beginning of the year	72204	1.070	72204	1.070
	Market sale on 05.08.2016	(5000)	(0.074)	67204	0.996
	Market sale on 28.10.2016	(25000)	(0.370)	42204	0.625
	Market sale on 11.11.2016	(19956)	(0.296)	22248	0.330
	Market sale on 18.11.2016	(1138)	(0.017)	21110	0.313
	Market sale on 25.11.2016	(3000)	(0.044)	18110	0.268
	Market sale on 09.12.2016	(4694)	(0.070)	13416	0.199
	Market sale on 16.12.2016	(4912)	(0.073)	8504	0.126
	Market sale on 23.12.2016	(4000)	(0.059)	4504	0.067
	Market sale on 27.01.2017	(4504)	(0.067)	0	0
	At the End of the year			0	0

AMARJOTHI SPINNING MILLS LIMITED


Name	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	of % total Shares of the company	No. of Shares	% of total Shares of the company
ZEN SECURITIES LTD	At the beginning of the year At the End of the year	50375	0.746	50375 50375	0.746 0.746
ZEN SECURITIES LTD	At the beginning of the year Market purchase on 30.06.2016 Market purchase on 17.03.2017 At the End of the year	3100 100 50	0.046 0.001 0.001	3100 3200 3250 3250	0.046 0.047 0.048 0.048
ZEN SECURITIES LTD-BSE CLIENTS A/C	At the beginning of the year Market purchase on 24.06.2016 Market sale on 30.06.2016 Market sale on 01.07.2016 Market purchase on 08.07.2016 Market sale on 15.07.2016 Market sale on 22.07.2016 Market sale on 29.07.2016 Market sale on 26.08.2016 Market purchase on 09.09.2016 Market purchase on 10.09.2016 Market purchase on 07.10.2016 Market sale on 14.10.2016 Market purchase on 21.10.2016 Market sale on 28.10.2016 Market sale on 04.11.2016 Market purchase on 11.11.2016 Market purchase on 18.11.2016 Market sale on 25.11.2016 Market sale on 02.12.2016 Market sale on 09.12.2016 Market purchase on 23.12.2016 Market purchase on 30.12.2016 Market sale on 13.01.2017 Market purchase on 20.01.2017 Market purchase on 27.01.2017 Market purchase on 03.02.2017 Market purchase on 17.02.2017 Market sale on 24.02.2017 Market sale on 03.03.2017 Market sale on 10.03.2017 Market sale on 17.03.2017 Market sale on 24.03.2017 Market sale on 31.03.2017 At the End of the year	1269 300 (100) (1100) 100 (50) (50) (100) (100) 100 100 1275 (1010) 485 (100) (750) 3 597 (50) (200) (150) 130 100 (130) 400 50 1200 1145 (95) (1000) (850) (50) (50) (19)	0.019 0.004 (0.001) (0.016) 0.001 (0.001) (0.001) (0.001) (0.001) 0.001 0.001 0.019 (0.015) 0.007 (0.001) (0.011) 0.000 0.009 (0.001) (0.002) (0.002) 0.002 0.001 (0.002) 0.006 0.001 0.018 0.017 (0.001) (0.015) (0.012) (0.001) (0.001) (0.001) (0.000)	1269 1569 1469 369 469 419 369 269 169 269 369 1644 634 1119 1019 269 272 869 819 619 469 599 699 569 969 1019 2219 3364 3269 2269 1419 1369 1319 1300 1300	0.019 0.023 0.022 0.005 0.007 0.006 0.005 0.004 0.003 0.004 0.005 0.024 0.009 0.017 0.015 0.004 0.004 0.013 0.012 0.009 0.007 0.009 0.010 0.008 0.014 0.015 0.033 0.050 0.048 0.034 0.021 0.020 0.020 0.019 0.019
ZEN SECURITIES LIMITED	At the beginning of the year At the End of the year	300	0.004	300 300	0.004 0.004
ZEN SECURITIES LIMITED	At the beginning of the year Market purchase on 29.04.2016 Market sale on 06.05.2016 Market purchase on 20.05.2016 Market sale on 27.05.2016 Market purchase on 01.07.2016 Market sale on 08.07.2016 Market purchase on 23.09.2016	0 50 (50) 100 (100) 1100 (1100) 65	0 0.001 (0.001) 0.001 (0.001) 0.016 (0.016) 0.001	0 50 0 100 0 1100 0 65	0 0.001 0 0.001 0 0.016 0 0.001

AMARJOTHI SPINNING MILLS LIMITED


Name	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	of % total Shares of the company	No. of Shares	% of total Shares of the company
	Market purchase on 30.09.2016	389	0.006	454	0.007
	Market sale on 07.10.2016	(454)	(0.006)	0	0
	Market purchase on 28.10.2016	750	0.011	750	0.001
	Market sale on 04.11.2016	(750)	(0.011)	0	0
	Market purchase on 11.11.2016	110	0.001	110	0.001
	Market sale on 18.11.2016	(110)	(0.001)	0	0
	Market purchase on 02.12.2016	283	0.004	283	0.004
	Market sale on 09.12.2016	(283)	(0.004)	0	0
	Market purchase on 13.01.2017	412	0.006	412	0.006
	Market sale on 20.01.2017	(412)	(0.006)	0	0
	Market purchase on 27.01.2017	1100	0.016	0	0.016
	Market sale on 03.02.2017	(1100)	(0.016)	0	0
	Market purchase on 17.03.2017	150	0.002	150	0.002
	Market sale on 24.03.2017	(150)	(0.002)	0	0
	Market purchase on 31.03.2017	96	0.001	96	0.001
	At the End of the year			96	0.001
FINQUEST FINANCIAL SOLUTIONS PVT. LTD.	At the beginning of the year	44446	0.658	44446	0.658
	At the End of the year			44446	0.658
SANGEETHA S	At the beginning of the year	30490	0.452	30490	0.452
	Market purchase on 08.07.2016	900	0.013	31390	0.465
	Market purchase on 05.08.2016	1980	0.029	33370	0.494
	Market purchase on 23.09.2016	900	0.013	34270	0.508
	Market sale on 14.10.2016	(34270)	(0.508)	0	0
	At the End of the year			0	0
SHIKHA JHUNJHUN WALA	At the beginning of the year	25429	0.377	25429	0.377
	Market sale on 10.06.2016	(12760)	(0.189)	12669	0.188
	Market sale on 24.06.2016	(6656)	(0.099)	6013	0.089
	Market sale on 29.07.2016	(6013)	(0.089)	0	0
	At the End of the year			0	0
KASHMIRA MANISH MEHTA	At the beginning of the year	24859	0.368	24859	0.368
	Market sale on 29.04.2016	(707)	(0.010)	24152	0.358
	Market sale on 06.05.2016	(7152)	(0.106)	17000	0.252
	Market sale on 28.10.2016	(10828)	(0.160)	6172	0.091
	Market sale on 11.11.2016	(750)	(0.011)	5422	0.080
	Market sale on 18.11.2016	(349)	(0.005)	5073	0.075
	Market sale on 25.11.2016	(150)	(0.002)	4923	0.073
	Market sale on 02.12.2016	(1787)	(0.026)	3136	0.046
	Market sale on 02.12.2016	(913)	(0.014)	2223	0.033
	At the End of the year			2223	0.033
AVION DEVELOPERS PVT LTD	At the beginning of the year	24000	0.356	24000	0.356
	Market sale on 29.04.2016	(942)	(0.140)	23058	0.342
	Market sale on 06.05.2016	(3058)	(0.045)	20000	0.296
	Market purchase on 10.06.2016	4000	0.059	24000	0.356
	Market purchase on 29.07.2016	3477	0.052	27477	0.407
	Market sale on 05.08.2016	(17477)	(0.260)	10000	0.148
	Market purchase on 09.09.2016	3500	0.052	13500	0.200
	Market purchase on 16.09.2016	1500	0.022	15000	0.222
	Market purchase on 23.09.2016	1000	0.015	16000	0.237
	Market sale on 21.10.2016	(1886)	(0.028)	14114	0.209
	Market sale on 28.10.2016	(14114)	(0.209)	0	0
	At the End of the year			0	0



AMARJOTHI SPINNING MILLS LIMITED

iv) Shareholding of Directors and Key Managerial Personnel:

Name	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	of % total Shares of the company	No. of Shares	% of total Shares of the company
Premchander. R	At the beginning of the year At the End of the year	1275653	18.899	1275653 1275653	18.899 18.899
Jaichander. R	At the beginning of the year At the End of the year	1275498	18.896	1275498 1275498	18.896 18.896
Rajan. N	At the beginning of the year At the End of the year	1164980	17.259	1164980 1164980	17.259 17.259

V. Indebtedness:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i. Principal Amount	166126466.36	602908087.46	0.00	769034553.82
ii. Interest due but not paid	0.00	0.00	0.00	0.00
i. Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	166126466.36	602908087.46	0.00	769034553.82
Change in Indebtedness during the financial year				
Addition	0.00	25961302.00	0.00	25961302.00
Reduction	105559666.95	0.00	0.00	105559666.95
Net change	(105559666.95)	25961302.00	0.00	(79598364.95)
Indebtedness at the end of the financial year.				
i. Principal Amount	60566799.41	628869389.46	0.00	689436188.87
ii. Interest due but not paid	0.00	0.00	0.00	0.00
i. Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	60566799.41	628869389.46	0.00	689436188.87

AMARJOTHI SPINNING MILLS LIMITED



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A Remuneration to Managing Director, Whole-time Director and / or Manager

Sl.	Particulars of Remuneration	Name of MD/WT/ Manager		Total No. Amount
		R. Premchander	R. Jaichander	
1.	Gross salary			
	a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	720000	720000	1440000
	b) Value of perquisites u/s 17(2)Income-tax Act,1961	Nil	Nil	Nil
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as% of profit	9196858	9196858	18393716
	- others, specify ...	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
6.	Total (A)	9916858	9916858	19833716
	Ceiling as per the Act	9916858	9916858	19833716

B. Remuneration to key Managerial Personnel other than MD/Manager/WT/

Sl.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		A.Manjusri Company Secretary	P.Singaravelu Chief Financial Officer	
1.	Gross salary			
	a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	300000	349122	649122
	b) Value of perquisites u/s 17(2)Income-tax Act,1961	Nil	176176	176176
	c) Profits in lieu of salary under section17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as% of profit	Nil	Nil	Nil
	- others, specify ...	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
6.	Total	300000	525298	825298

C. Remuneration to other Directors :

Particulars of Remuneration	Name of Director								Total Amount
	Rajan N	V.Subra maniam	N. Radha krishnan	V.T.Subra manian	M. Moorthi	V. Manikandan	M.S. Sivakumar	M.Amutha	
Independent Directors									
· Fee for attending board committee meetings	0	3000	0	3000	0	3000	3000	3000	15000
· Commission	0	0	0	0	0	0	0	0	0
· Others, please specify	0	0	0	0	0	0	0	0	0
Total (1)	0	3000	0	3000	0	3000	3000	3000	15000
Other Non-Executive Directors									
· Fee for attending board committee meetings	3000	0	3000	0	3000	0	0	0	9000
· Commission	1983372	0	0	0	0	0	0	0	1983372
· Others, please specify	0	0	0	0	0	0	0	0	0
Total (2)	1986372	0	3000	0	3000	0	0	0	1992372
Total (C) = (1+2)	1986372	3000	3000	3000	3000	3000	3000	3000	2007372

Overall Ceiling as per the Act In terms of the provisions of the Companies Act 2013, the remuneration payable to Directors other than Executive Directors shall not exceed 1% of the net profit of the Company. The Company may pay sitting fees to the Directors for attending Board/ Committee Meetings as may be decided by the Board. The Board has fixed Rs.750/- as Sitting fees for Board/Committee Meetings.

D. Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD

Applicable – Mentioned in Table "B"

Note : During the year 2016-17, The Company has appointed Company Secretary and Chief Financial officer as Key Managerial Personnel under the sec 203 of Companies Act, 2013.

VII. Penalties / Punishment / Compounding of Offences :

Nil





ANNEXURE – VII

**Disclosure pursuant to Rule 5 of Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- i) The ratio of the remuneration of each Director to the median and mean remuneration of the employees of the company for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

ii)

Names of the Directors / Key Managerial Personnel	Ratio to Median Remuneration (times)	Ratio to Mean Remuneration (times)	Increase / Decrease in Remuneration
Sri. N. Rajan, Chairman	16.49	7.93	113.82%
Sri. R. Premchander, Managing Director	81.46	39.63	113.82%
Sri. R. Jaichander	81.46	39.63	113.82%
Dr. V. Subramaniam	0	0	0
Sri. N. Radhakrishnan	0	0	0
Sri. V.T. Subramanian	0	0	0
Sri. M. Moorthi	0	0	0
Sri. V. Manikandan	0	0	0
Sri. M.S. Sivakumar	0	0	0
Smt. M. Amutha	0	0	0
Smt .A. Manjusri, Company secretary	0	0	0
Sri.P. Singaravelu, Chief Financial Officer	0	0	0

- iii) The percentage increase in the median remuneration of employees in the financial year: 12%
- iv) The Number of permanent employees on the rolls of the Company: 224
- v) Explanation on the relationship between average increase in remuneration and company performance:
The remuneration components include a fair proportion of fixed and variable pay. The increase in fixed pay is periodically reviewed while the increase in variable pay is broadly aligned to the company's performance during the financial year.
- vi. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company – Profit before Tax – Rs.21.18 cr



(Rs. in cr.)

Particulars	Chairman	Managing Director	Whole time Director	Total
Remuneration	0.19	0.99	0.99	2.17
Remuneration (as % of PBT)	0.94	4.68	4.68	10.25

- vii) Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year:

Particulars	As at 31.03.2017	As at 31.03.2016	Increase
Closing price of share at BSE (Rs.)	154.80	77.10	100.77%
Market Capitalisation (Rs. in cr.)	104.49	52.04	100.79%
Price Earnings ratio	7.58	6.04	25.50%
Net worth (Rs. in cr.)	98.21	86.43	13.61%

- viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
The average increase in salaries of employees other than managerial personnel in 2016-17 was 12.66%. Managerial remuneration is increased for the year by 113.82%.
- ix) Comparison of the each remuneration of the Key managerial personnel against the performance of the company;
Please refer point no. (vi)
- x) The key parameters for any variable component of remuneration availed by the directors; Commission within the ceiling of 11% of the net profits of the Company, as approved by the shareholders.
- xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;
Not applicable.
- xii) Affirmation that the remuneration is as per the remuneration policy of the company.
The Company affirms that remuneration is as per the remuneration policy of the company.



ANNEXURE – VIII

**Statement u/s.197 (12) of the Companies Act, 2013 read with the Companies
(Appointment and remuneration of Managerial Personnel) rules, 2014**

- a) Employed throughout the year and were in receipt of remuneration at the rate of not less than Rs. 1,02,00,000/- per annum.
None
- b) Employed for part of the year and were in receipt of remuneration at the rate of not less than Rs. 8,50,000/- per month :
None



INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS

To The Members of M/s. Amarjothi Spinning Mills Limited,

Report on the Standalone Financial Statements:-

I have audited the accompanying standalone financial results of Amarjothi Spinning Mills Limited, which comprise the Balance sheet as at 31st March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies' Act 2013 (The Act) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

My responsibility is to express an opinion on these Standalone financial statements based on my audit.

I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

I conducted my audit in accordance with the Standards on Auditing specified u/s 143(10) of the Act. These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial



statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my Audit Opinion on the Standalone financial statements.

OPINION:-

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017, and its PROFIT and its CASH FLOWS for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:-

As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the ANNEXURE – A, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

As required by Section 143 (3) of the Act, I report that:

- A. I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
- B. In my opinion, proper books of accounts as required by law have been kept by the company so far as it appears from my examination of those books.
- C. NOT APPLICABLE.
- D. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- E. In my opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified u/s 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- F. On the basis of the written representations received from the directors as on 31st March 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of section 164(2) of the Act.
- G. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate Report in Annexure – B.



AMARJOTHI SPINNING MILLS LIMITED

H. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me;

1. The Company does not have any pending litigations which would impact its financial position.
2. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
3. There has been no delay in transferring amounts, required to be transferred to the Investor Education and protection Fund by the Company.
4. The Company has else where specified the details regarding demonitisation and the deposit of demonitised notes within the specified period as required in the amendment to schedule III to the Companies Act 2013. This is given as per rule II(d) of the Companies (Auditors) Amendment Rules 2017.

Place : Coimbatore

Date : 29.05.2017

V.NARAYANASWAMI

Chartered Accountant.

Membership No: 023661.

ANNEXURE – A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AMARJOTHI SPINNING MILLS LIMITED.

(Referred to in paragraph (1) under 'Report on other legal and regulatory requirements' of my report of even date)

In terms of the information and explanations sought by me and given by the company and the books and records examined by me in the normal course of audit and to the best of my knowledge and belief, I report the following:-

1.
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year, which in my opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) The title deeds of all the immovable properties of the company shown under the Fixed Assets schedule are held in the name of the company.
2. The inventories have been physically verified by the management at reasonable intervals during the year. In my opinion, the frequency of such verification is reasonable and no material discrepancies were noticed at the time of verification.
3. The Company has not granted loans, secured or unsecured, to Companies, Firms, LLPs or other parties covered in the register maintained under section 189 of the Act.

AMARJOTHI SPINNING MILLS LIMITED



4. In respect of loans, investments and guarantees, the provisions of Sections 185 and 186 of the Act have been complied with.
5. The Company has not accepted any deposits to which the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under and the Directions issued by the RBI are applicable. Hence paragraph 3 (5) of CARO is not applicable to the company.
6. I have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act and I am of the opinion that prima facie the prescribed accounts and records have been made and maintained. I have not however made a detailed examination of the cost records with a view to determining whether they are accurate or complete.
7.
 - (a) Undisputed statutory dues including PF, or ESI, Income Tax, sales tax, service tax, Excise duty, customs duty, VAT cess etc have been regularly deposited by the Company with the appropriate authorities in all cases during the year.
 - (b) There are no dues of income tax, sales tax, customs duty, excise duty, service tax, VAT or cess etc, which have not been deposited on account of any dispute. A sum of Rs.2102183 has not been paid being Generation tax payable on electricity charges. The matter is under dispute and pending with the honourable high court of Madras. No provision has been made for this in the books.
8. The Company has not defaulted in repayment of loans taken from Financial Institution, Banks, Government or dues to Debenture holders.
9. The Company has not raised any money by way of Initial Public offer/Further Public offer during the year. In my opinion, the moneys raised by way of Term Loans during the year have been applied for the purposes for which those are raised.

Place : Coimbatore
Date : 29.05.2017

V.NARAYANASWAMI
Chartered Accountant.
Membership No: 023661.



**ANNEXURE – B TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON
THE STANDALONE FINANCIAL STATEMENTS OF
AMARJOTHI SPINNING MILLS LIMITED.**

Report on the Internal Financial Controls under clause (i) of sub section 3 of Section 143 of the Companies Act 2013 (“The Act”).

I have audited the internal financial controls over financial reporting of Amarjothi Spinning Mills Limited (“the Company”) as of 31st March 2017 in conjunction with my audit of the standalone financial statements of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls:

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013.

Auditors’ Responsibility:

My responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Internal Financial Controls Over Financial Reporting (“the Guidance Note”) and the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies’ Act 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting, included obtaining an understanding of internal controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING:

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:-

- (a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (c) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING:-

Because of the inherent limitations of internal financial controls over financial reporting including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION:-

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Place : Coimbatore

Date : 29.05.2017

V.NARAYANASWAMI
Chartered Accountant.
Membership No: 023661.

AMARJOTHI SPINNING MILLS LIMITED



BALANCE SHEET AS AT 31ST MARCH 2017		Rupees in Lakhs	
	Note no.	As at 31.03.2017	31.03.2016
I EQUITY AND LIABILITIES			
1 Shareholders' Funds :			
(a) Share Capital	1	675.00	675.00
(b) Reserves & Surplus	2	9146.08	7968.20
(c) Money Received Against Share Warrants		0.00	0.00
		9821.08	8643.20
2 Share Application Money Pending Allotment		0.00	0.00
3 Non-Current Liabilities			
(a) Long-term Borrowings	3	6288.69	6029.08
(b) Deferred Tax Liabilities (Net)	4	1303.85	1474.80
(c) Other Long-term Liabilities		0.00	0.00
(d) Long-term Provisions		0.00	0.00
		7592.54	7503.88
3 Current Liabilities			
(a) Short-term Borrowings	5	605.66	1661.27
(b) Trade Payables	6	831.21	342.26
(c) Other Current Liabilities	7	340.08	213.66
(d) Short Term Provisions	8	1406.97	581.71
		3183.92	2798.90
TOTAL		20597.54	18945.98
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	8384.02	10644.66
(ii) Intangible Assets		0.00	0.00
(iii) Capital Work-in-Progress		493.84	493.84
(iv) Intangible Assets under Developments		0.00	0.00
		8877.86	11138.50
(b) Non-Current Investments	10	369.62	280.10
(c) Deferred Tax Assets (Net)		0.00	0.00
(d) Long Term Loans And Advances		0.00	0.00
(e) Other Non-Current Assets	11	0.00	1.13
		9247.48	11419.73
2 Current Assets			
(a) Current Investments		0.00	0.00
(b) Inventories	12	7124.37	4474.13
(c) Trade Receivables	13	2760.09	2019.85
(d) Cash and Cash Equivalents	14	133.91	128.16
(e) Short-term Loans and advances	15	1331.69	904.11
(f) Other Current Assets		0.00	0.00
		11350.06	7526.25
Total		20597.54	18945.98
Notes to the financial statements	1-24		
The accompanying notes form an integral part of these financial statements			
As per my report of even date		On behalf of the Board of Directors	
V.NARAYANASWAMI, M.A., F.C.A.		N. RAJAN	R. PREMCHANDER
Chartered Accountant		Chairman	Managing Director
Membership No.023661			
Place : Tirupur		R.JAICHANDER	
Date : 29/05/2017		Joint Managing Director	

AMARJOTHI SPINNING MILLS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

		Rupees in Lakhs	
	Note no.	For the year Ended	
		31.03.2017	31.03.2016
I. Revenue from operations	16	21682.03	19413.51
II. Other Income	17	447.15	247.57
III. Total Revenue (I+II)		<u>22129.18</u>	<u>19661.08</u>
IV. Expenses			
Cost of Materials Consumed	18	10940.30	8737.60
Purchases of Stock-in-Trade		0.00	0.00
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	19	318.66	1775.88
Employee Benefits Expenses	20	971.20	941.33
Finance Costs	21	1223.15	1318.47
Depreciation and Amortization Expenses	9	1383.73	1318.31
Other Expenses	22	5173.58	4640.72
Total Expenses		<u>20010.62</u>	<u>18732.31</u>
V. Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		2118.56	928.77
VI. Exceptional Items		0.00	0.00
VII. Profit Before Extraordinary Items and Tax (V-VI)		2118.56	928.77
VIII. Extraordinary Items		0.00	0.00
IX. Profit Before Tax (VII-VIII)		<u>2118.56</u>	<u>928.77</u>
X. Tax Expense:			
[1] Current Tax		911.00	180.00
[2] Deferred Tax		-170.95	-112.20
XI. Profit (Loss) for the period from Continuing Operations (IX-X)		1378.51	860.97
XII. Profit (Loss) from Discontinuing Operations		0.00	0.00
XIII. Tax Expense of Discontinuing Operations		0.00	0.00
XIV. Profit (Loss) from Discontinuing Operations (after tax) (XII-XIII)		0.00	0.00
XV. Profit (Loss) for the Period (XI+XIV)		<u>1378.51</u>	<u>860.97</u>
XVI. Earnings Per Equity Share:			
[1] Basic & Diluted		20.42	12.76

Notes to the financial statements
1-24
The accompanying notes form an integral part of these financial statements

As per my report of even date

V.NARAYANASWAMI, M.A., F.C.A.

Chartered Accountant
Membership No.023661

Place : Tirupur

Date : 29/05/2017

On behalf of the Board of Directors

N. RAJAN

Chairman

R. PREMCHANDER

Managing Director

R.JAICHANDER

Joint Managing Director



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

	Rupees in Lakhs Year ended	
	31.03.2017	31.03.2016
[1] SHARE CAPITAL:		
Equity Shares:		
Authorised:		
9750000 Equity Shares of Rs.10 each	975.00	975.00
Issued, Subscribed & Paid-up Capital :		
6750000 Equity Shares of Rs.10 each fully paid	<u>675.00</u>	<u>675.00</u>

Notes:

1.1 Reconciliation of Equity shares at the end of the year

	31.03.2017		31.03.2016	
	No.of shares	Amount	No.of shares	Amount
Balance at the beginning of the year	6750000	675.00	6750000	675.00
Additions	0	0.00	0	0.00
Deletions	0	0.00	0	0.00
Balance at the end of the year	<u>6750000</u>	<u>675.00</u>	<u>6750000</u>	<u>675.00</u>

1.2 List of shareholders holding more than 5%

Name	No.of shares	Amount	No.of shares	Amount
Rajan.N	1164980	17.26	1164780	17.25
Premchander.R	1275653	18.90	1275653	18.90
Jaichander.R	1275498	18.90	1275498	18.90
Total	<u>3716131</u>	<u>55.06</u>	<u>3715931</u>	<u>55.05</u>

1.3 During the five reporting periods immediately preceding the reporting date, no shares have been issued by capitalization of reserves as bonus shares or for Consideration other than cash.

1.4 The Company has a single class of equity shares. Accordingly all equity shares rank equally with regard to voting rights, dividends and share in the Company's residual assets.

AMARJOTHI SPINNING MILLS LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH 2017**

		Rupees in Lakhs	
		Year ended	
		31.03.2017	31.03.2016
[2] RESERVES AND SURPLUS :			
(i) General Reserve			
As per last year Balance Sheet	1012.65		926.55
Add : Additions during the year	<u>137.85</u>		<u>86.10</u>
		1150.50	1012.65
(b) Securities Premium			
As per last year Balance Sheet	225.00		225.00
Add : Additions during the year	<u>0.00</u>	225.00	<u>0.00</u>
			225.00
(c) Surplus:			
As per last year Balance Sheet	6730.55		6147.67
Add: Net Profit during the year	<u>1378.51</u>		<u>860.97</u>
Profit available for Appropriation	<u>8109.06</u>		<u>7008.64</u>
Less: Appropriations during the year			
Transfer to General Reserve	137.85		86.10
Transfer to CSR reserve	35.63		33.63
Previous year Income tax arrears paid	2.50		0.00
Proposed Dividend	135.00		135.00
Tax on Proposed Dividend	<u>27.48</u>		<u>23.36</u>
	<u>338.46</u>	7770.58	<u>278.09</u>
Total		<u>9146.08</u>	<u>7968.20</u>
[3] LONG TERM BORROWINGS:			
(a) Term Loan From Banks (Secured)		0.00	0.00
(b) Loan from Directors (Unsecured)		6288.69	6029.08
[c] Interest Free Sales Tax Loan (Unsecured)		0.00	0.00
(d) Other Loans & Advances		0.00	0.00
		<u>6288.69</u>	<u>6029.08</u>
Notes :			
3.1 Loan from Directors:			
These amounts have been brought in pursuant to the terms of sanction of Loans by Bankers and retained as unsecured loans.			
[4] DEFERRED TAX LIABILITIES (NET)			
As per last year Balance Sheet		1474.80	1587.00
Add/less : Transfer from / to P&L a/c for current year		<u>-170.95</u>	<u>-112.20</u>
		<u>1303.85</u>	<u>1474.80</u>

AMARJOTHI SPINNING MILLS LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH 2017**

	Rupees in Lakhs	
	Year ended	
	31.03.2017	31.03.2016
[5] SHORT TERM BORROWINGS		
(a) Loan Repayable on Demand from Banks (Secured)	605.66	1661.27
	605.66	1661.27
[6] TRADE PAYABLES		
(a) Sundry Creditors	831.21	342.26
[7] OTHER CURRENT LIABILITIES		
(a) Current Maturities of Long Term Debts	0.00	0.00
(b) Unclaimed Dividend	39.34	38.07
(c) VAT Payable	93.42	16.16
(d) Disputed Electricity Charges	21.02	15.79
(c) Others	186.30	143.64
	340.08	213.66
[8] SHORT TERM PROVISIONS		
(a) Provision for Employee Benefits	76.20	54.79
(b) Others		
1 Provision for Outstanding Liability	221.66	154.93
2 Provision for CSR expenditure	35.63	33.63
3 Proposed Dividend	135.00	135.00
4 Tax on Proposed Dividend	27.48	23.36
5 Provision for Income Tax	911.00	180.00
	1406.97	581.71
Proposed Dividend per share (in Rs.)	2.00	2.00
Number of Shares	6750000	6750000
Total Proposed Dividend	135.00	135.00

9. FIXED ASSETS:**TANGIBLE ASSETS**

Rupees in Lakhs

Description	Gross Block				Depreciation				Net Block	
	As At 01.04.2016	Additions	Adjustments/ Deletion	As At 31.03.2017	Upto 31.03.2016	During the Period	Adjustments/ Deletions	Upto 31.03.2017	As At 31.03.2017	As At 01.04.2016
LAND	143.48	0.00	45.55	97.93	0.00	0.00	0.00	0.00	97.93	143.48
LEASE HOLD LAND	78.75	0.00	0.00	78.75	0.00	0.00	0.00	0.00	78.75	78.75
BUILDING	2462.41	0.00	0.00	2462.41	872.05	75.58	0.00	947.63	1514.78	1590.36
PLANT & MACHINERY	22568.77	62.73	2527.85	20103.65	13935.61	1264.17	1614.02	13585.76	6517.89	8633.16
FURNITURE & FITTINGS	44.93	0.22	0.00	45.15	42.65	1.66	0.00	44.31	0.84	2.28
OFFICE EQUIPMENTS	300.60	18.57	0.00	319.17	224.80	21.65	0.00	246.45	72.72	75.80
VEHICLES	237.00	0.96	0.22	237.74	116.17	20.67	0.21	136.63	101.11	120.83
T O T A L	25835.94	82.48	2573.62	23344.80	15191.28	1383.73	1614.23	14960.78	8384.02	10644.66
<i>PREVIOUS YEAR</i>	<i>25839.49</i>	<i>97.53</i>	<i>101.07</i>	<i>25835.94</i>	<i>13956.15</i>	<i>1318.31</i>	<i>83.17</i>	<i>15191.29</i>	<i>10644.66</i>	<i>11883.34</i>



AMARJOTHI SPINNING MILLS LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH 2017**

	Rupees in Lakhs	
	Year ended	
	31.03.2017	31.03.2016
[10] NON-CURRENT INVESTMENTS (AT COST)		
- Trade (Quoted)		
50 Equity Shares of Rs.10 each fully paid of Precot Meridian Industries Ltd.. (Market value – Rs.4315)	0.09	0.09
100 Equity Shares of Rs.10 each fully paid of Thambbi Modern Spinning Mills Ltd.. (Market value – Rs.772)	0.05	0.05
- Non - Trade (Un-Quoted)		
8307 Equity shares of Rs.1000 each fully paid of Perundurai Common Effluent Treatment Plant (Including premium)	83.08	83.08
4600(5000) Equity shares of Rs.1500 each fully paid of Amarjothi Power Generation & Distribution Company Ltd.	69.00	75.00
Partnership Capital @27% share in Amarjothi Wind Farms	152.67	121.88
Partnership Capital @27% share in North East Wind Farms	33.47	0.00
Partnership Capital @27% share in South West Wind Farms	31.26	0.00
	369.62	280.10
[11] OTHER NON-CURRENT ASSETS:		
Preliminary expenses not written off (Transferred from Amalgamation Scheme)	0.00	1.13
	0.00	1.13
[12] INVENTORIES :		
a) Raw Materials	5703.44	2588.38
b) Work-in-Progress	401.17	360.80
c) Finished Goods	902.11	1261.14
d) Waste Stock	72.20	229.16
e) Stores, Tools, Spares & Packing Materials	45.45	34.65
	7124.37	4474.13



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH 2017**

Rupees in Lakhs

Year ended

31.03.2017

31.03.2016

[13] TRADE RECEIVABLES

1	Due for More than 6 months (Unsecured)		
	(a) Considered Good	20.05	13.85
	(b) Considered Doubtful	32.72	32.34
2	Other Debts	2740.16	2052.69
	(Unsecured and Considered Good) :		
	Less : Provision for Doubtful Receivables	32.84	32.84
		2760.09	2019.85

[14] CASH AND BANK BALANCES

	Cash on Hand	6.58	6.89
	Balances with Scheduled Banks		
	In Current Accounts	40.22	8.36
	In Deposit Accounts(given as security for bank guarantee - EPCG)	47.77	74.84
	In Unpaid Dividend Warrant Account	39.34	38.07
		133.91	128.16

[15] SHORT-TERM LOANS & ADVANCES

(UNSECURED & CONSIDERED GOOD)

	Advances recoverable in cash or in kind or for value to be received	1024.93	729.47
	Balance with Excise Department	0.10	14.40
	Deposit with Government Departments	306.66	160.24
		1331.69	904.11

[16] REVENUE FROM OPERATIONS

a)	Sale of Products	21682.03	19413.51
b)	Sale of Services	0.00	0.00
c)	Other Operating Revenues	0.00	0.00
	Less: Excise Duty	0.00	0.00
		21682.03	19413.51

AMARJOTHI SPINNING MILLS LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH 2017**
Rupees in Lakhs
Year ended
31.03.2017
31.03.2016
[17] OTHER INCOME

a) Interest Income (TDS Rs.8.06 lac (Rs.1.21 lac)	89.80	24.81
b) Dividend Income & Profit from Firms	99.22	65.30
c) Net gain / Loss on sale of Fixed assets	135.15	1.21
d) Foreign Exchange Rate Gain	7.63	41.60
e) Insurance Claims	21.54	19.29
f) Other Non-Operating Income	93.81	95.36
	447.15	247.57

[18] COST OF MATERIALS CONSUMED :
Opening Stock :

Raw Materials	2588.38	1352.29
Waste Stock	<u>229.16</u>	<u>279.65</u>

ADD : Purchases	13898.40	9923.20
	16715.94	11555.14

LESS : Closing Stock :

Raw Materials	5703.44	2588.38
Waste Stock	<u>72.20</u>	<u>229.16</u>
	10940.30	8737.60

[19] CHANGES IN INVENTORIES OF FINISHED GOODS
WORK-IN-PROGRESS AND STOCK-IN-TRADE:
Inventories at the Beginning of the year

Finished Goods	1261.14	3028.99
Work-in-Progress	<u>360.8</u>	<u>368.83</u>

Inventories at the end of the year

Finished Goods	902.11	1261.14
Work-in-Progress	<u>401.17</u>	<u>360.80</u>
Net (increase) / decrease	318.66	1775.88

AMARJOTHI SPINNING MILLS LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH 2017**
Rupees in Lakhs
Year ended
31.03.2017
31.03.2016
[20] EMPLOYEE BENEFITS EXPENSES

i) Salaries & Wages	764.02	725.26
ii) Contribution to Provident & Other Funds	36.65	42.45
iii) Expense on ESOP & ESPP	0.00	0.00
iv) Staff Welfare Expenses	170.53	173.62
	971.20	941.33

[21] FINANCE COSTS

a) Interest on Term Loans	0.00	296.95
b) Interest on Other Loans	1223.15	1021.52
	1223.15	1318.47

[22] OTHER EXPENSES

a) Consumption of Stores & Spare Parts	1195.49	959.66
b) Power & Fuel	1315.73	1261.00
c) Rent	46.81	39.81
d) Repairs to Building	115.77	103.72
e) Repairs to Machinery	856.64	846.13
f) Insurance	65.43	70.34
g) Rates and Taxes	33.73	30.11
h) Dyeing and Processing Expenses	908.67	778.44
i) Miscellaneous Expenses:		
Advertisement	20.72	41.30
Bank Charges	16.66	25.66
Computer Maintenance Expenses	11.29	10.26
Freight & Other Expenses	57.95	60.91
General Expenses	74.68	95.62
Managerial Remuneration	218.17	102.03
Preliminary expenses w/o	1.13	1.13
Printing, Stationery & Postage	37.21	37.74
Professional Charges	9.51	9.74
Remuneration to Auditors	2.55	1.98
RF Tower Maintenance Expenses	2.50	6.28
Sales Commissions	47.71	40.88
Service Tax Paid	7.70	0.91
Share Transfer Expenses	2.63	2.41
Sitting Fees	0.24	0.24
Telephones	13.88	15.63
Travelling & Conveyance	31.76	28.52
Vehicle Maintenance – car	18.38	17.56
Vehicle Maintenance – Lorry & Van & others	60.64	52.71
	5173.58	4640.72

Total



23. SIGNIFICANT ACCOUNTING POLICIES

23.1. METHOD OF ACCOUNTING:

The financial statements have been prepared in accordance with historical cost convention and accrual system of accounting has been followed.

FIXED ASSETS:

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on Straight Line Method on the basis of useful lives and in the manner specified in Schedule II to the Companies Act, 2013.

INVENTORIES :

Finished Goods are stated at lower of cost or net realisable value as specified in Accounting Standard AS2 prescribed by the Institute of Chartered Accountants of India. Other inventories are stated at cost and waste at net realisable value.

SALES :

Sales are recognized when goods are supplied and are net of Sales Tax and other levies.

FOREIGN CURRENCY TRANSACTIONS :

Foreign currency transactions are recorded in the books by applying the exchange rates as on the date of transaction. Foreign currency assets are converted at the exchange rate prevailing on the last working day of the accounting year and the exchange is adjusted to the Profit & Loss Account.

INVESTMENTS :

Investments are stated at cost and are long term in nature and hence no provision has been made for the diminution in the value, if any, during the year. Income from investments is accounted on receipt basis.

TAXATION :

Income tax for the current year has been calculated based on the current year's working. Provision has been made in the accounts for Income tax and Deferred Tax for the current year.

24. OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS

24.1. SECURED LOANS FROM BANKS :

Sl.No.	Name of the Bank	Limit Rs. In lakhs.	Nature of Facility	Security Offered
1	Bank of Baroda & Karur Vysya Bank	1550.00	Working Capital Facility	First Charge on Current Assets and second charge on the other fixed assets

All the above loans are personally guaranteed by the Chairman, Managing Director and Joint Managing Director of the Company.

AMARJOTHI SPINNING MILLS LIMITED



	As at 31.03.2017	As at 31.03.2016
24.2. CONTINGENT LIABILITIES:		
a) Bills discounted	NIL	NIL
b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances)	Nil	Nil
24.3. Income Tax assessments have been completed up to the Assessment Year 2014–2015.		
24.4. The Company has opted the exemption route vide Central Excise Notification No.30/2004 and 31/2004 dated 09.07.2004.		
24.5. As at the end of the year, the Company does not have small-scale industries as defined by Section 3-J of the Industries (Development and Regulation) Act, 1951 and to whom more than Rs. 1.00 lakh is due and also for more than 30 days. Hence, the provision of interest does not arise. There were no overdue payments to Micro, Small and Medium scale enterprises during the year and there is no amount overdue as on the date of the Balance Sheet to such enterprises.		
24.6. Sundry debtors which are overdue for a period of 6 months and more include a sum Rs.32.72 lakhs (Rs.32.34 lakhs) for which the Company has taken legal action and is hopeful of recovery. Provision has been made for Rs.32.84 Lakhs for Doubtful Debtors.		
24.7. Depreciation has been calculated according to Schedule II of the Companies Act, 2013 as amended on straight-line method.		
24.8. The Company has received a demand towards additional Electricity tax amounting to Rs.21.02 lakhs from TNEB against which the Company has gone on appeal to the Honourable High Court of Madras. The Company has not paid this amount due to dispute. No provision has been made in the accounts, pending disposal of appeal by the Honourable High Court of Madras.		
	Rupees in Lakhs	
	As on	
	31.03.2017	31.03.2016
24.9. Counter Guarantee given by the Chairman, Managing Director and Joint Managing Director for Working Capital Loans including Non-fund based Limits taken by the Company from its Bankers	1550.00	1550.00

AMARJOTHI SPINNING MILLS LIMITED


Particulars		As at 31.03.2017	As at 31.03.2016
24.10. QUANTITATIVE PARTICULARS :			
i) Licensed Capacity*	Spindles	75000	75000
	Rotor	4768	2080
ii) Installed Capacity*	Spindles	29280	37392
	Rotor	4768	2080
iii) Actual Production - Yarn	Kgs.	6772336	5956397
iv) Turnover - Yarn	Kgs.	6945618	6770911
	Rs.	2119810806	1913881324
Turnover - Waste	Kgs.	4702695	1768604
	Rs.	48391981	27469478
v) Opening Yarn Stock	Kgs.	813010	1627524
	Rs.	126114060	302898590
vi) Closing Yarn Stock	Kgs.	664135	813010
	Rs.	90211050	126114060
*As certified by Management not verified by Auditor			
vii) Consumption of Raw Materials	Kgs.	9420466	8092214
	Rs.	1094030402	873758957
viii) Consumption of Stores & Spares			
Indigenous (78.18%/62.65%)	Rs.	93467193	60124232
Imported (21.82%/37.35%)	Rs.	26081857	35841462
24.11. EARNINGS IN FOREIGN CURRENCY:			
FOB Value of Exports	Rs.	74512352	153682040
24.12. EXPENDITURE IN FOREIGN CURRENCY:			
a) Traveling	Rs.	807726	1299862
b) CIF Value of Imports	Rs.	26081857	35841462
c) Certification charges	Rs.	490069	566337
24.13. REMUNERATION TO DIRECTORS:			
a) Managing Director (Salary)	Rs.	720000	720000
b) Joint Managing Director (Salary)	Rs.	720000	720000
c) Managing Director (Commission)	Rs.	9196858	3917936
d) Joint Managing Director (Commission)	Rs.	9196858	3917936
e) Chairman (Commission)	Rs.	1983372	927587
Total		21817088	10203459
Computation of Remuneration to Directors:			
Net Profit before tax as per Profit & Loss account		211851675	92879434
Add: Remuneration debited to Profit & Loss account		21817088	10203459
Less / (Add): Profit / (Loss) on sale of Assets		13514514	120706
Net Profit available		220154249	102962187
Managerial Remuneration eligible		21817088	10203459

AMARJOTHI SPINNING MILLS LIMITED**24.14. PAYMENT TO AUDITOR :**

Audit Fees (inclusive of Service Tax)	Rs.	183200	168540
Reimbursement of Expenses	Rs.	20000	15000
Other Services	Rs.	52150	14534
Total		<u>255350</u>	<u>198074</u>

24.15. Previous year figures have been regrouped and reclassified wherever necessary to conform to current year's classification.

As per my report of even date

V.NARAYANASWAMI, M.A., F.C.A.

Chartered Accountant

Membership No.023661

Place : Tirupur

Date : 29/05/2017

On behalf of the Board of Directors

N. RAJAN

Chairman

R. PREMCHANDER

Managing Director

R.JAICHANDER

Joint Managing Director



NOTES FORMING PART OF ACCOUNTS – DISCLOSURES

I. Segment-wise Reporting:

The Company is engaged mainly in the manufacture of yarn. The Company owns Eleven wind mills mainly for captive consumption purpose only. During the year the value of power generated through these mills is Rs. 14,77,34,800.00 (22486271 units) and this is adjusted with the power cost of the Company. The processing division is operating mainly for captive utilization and hence segment- wise reporting as defined in Accounting Standard 17 is not required.

II. Deferred Tax Assets /Liability:

Deferred tax provision for the current year has been credited to the profit and loss account for the year. The Balance of deferred Tax liability is being disclosed as a liability.

Deferred Taxation Liability on account of Timing Difference : (Rs.)

As on 01.04.2016	147480000.00
Less: Transfer to Profit & Loss a/c	17095000.00
Balance of Liability as on 31.03.2017	<u>130385000.00</u>

III. Employee Benefits: AS-15:

a) Provident Fund Contribution:

During the year the Company has contributed Rs.2608817/- to Government Provident fund. The Company does not have a separate exempted provident fund.

b) Gratuity:

As per the records of the Company none of the employees come under the purview of Payment of Gratuity Act.

c) With regard to other terminal benefits payable to employees the Company makes a payment of such benefits every year and hence no provision is required.

IV. Related Party Disclosure as per AS 18 :

1. Related Parties: Associates:
 - i) N.Rajan & Sons
 - ii) Amarjothi Power Generation & Distribution Company Ltd.,
 - iii) Amarjothi Wind Farms
 - iv) Southwest Wind Farms
 - v) Northeast Wind Farms
2. Key Management Personnel :
 - i) Sri. R. Premchander, Managing Director
 - ii) Sri. R. Jaichander, Joint Managing Director

AMARJOTHI SPINNING MILLS LIMITED



Transactions:

Particulars	Related Parties/ Associates	Key Management Personnel & Relatives	Directors
Remuneration	-	Rs.2,18,17,088	-
Sitting fees	-	-	Rs.24,000
Purchase(Power)	Rs.5,21,95,917		
Payment of Interest	Rs.11,89,98,312	-	-
Credit Balance as at 31.03.2017	Rs.62,88,69,389	-	-
Sale of Fixed Assets	Rs. 9,45,55,067	-	-

V. Earning Per share as per AS 20

Particulars	31.03.2017	31.03.2016
a) Net Profit after tax (Rs.)	13,78,46,675	8,60,99,434
b) Number of Equity shares	67,50,000	67,50,000
c) Earning Per Share (Rs.) (a/b)	20.42	12.76

VI. CASH TRANSACTION DURING DEMONITISATION PERIOD:

Particulars	SBN's Denomination	Other's Denomination	Total
Closing Cash in hand on 08.11.2016	Nil	11,24,738	11,24,738
Add: Permitted receipts	Nil	25,75,326	25,75,326
Less: Permitted payments	Nil	30,89,953	30,89,953
Less: Bank deposits	Nil	15,000	15,000
Closing cash in hand on 30.12.2016	Nil	5,95,111	5,95,111

AMARJOTHI SPINNING MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Rupees in Lakhs

Year Ended	Year Ended
31.03.2017	31.03.2016

A. CASH FLOW FROM OPERATING ACTIVITIES:

NET Profit before Taxation		2118.56	928.77
Adjustments for:			
Depreciation and amortisation	1383.73	1318.31	
Loss /(Profit) on Sale of Assets	-135.15	-1.21	
Interest Income	-89.80	-24.81	
Finance costs	1223.15	1318.47	
		<u>2381.93</u>	<u>2610.76</u>
Operating Profit before Working Capital Changes		4500.49	3539.53
Adjustments for:			
Trade & other Receivables	-1167.82	39.33	
Inventories	-2650.24	658.21	
Trade Payable & Other Liabilities	1325.78	-2492.28	-1542.18
		<u>-844.64</u>	
Cash Generated from Operations		2008.21	2694.89
Direct Taxes provisions / paid		-478.32	-302.36
Net Cash from Operating activities	A	<u>1529.89</u>	<u>2392.53</u>

B. CASH FLOW FROM INVESTMENT ACTIVITIES:

Purchase of Fixed Assets		-82.48	-97.53
Sale of Fixed Assets		824.24	102.28
Investments made		-179.32	-27.12
Adjustments for other non current assets		1.13	1.13
Interest Received		89.80	24.81
Net Cash from Investment activities	B	<u>653.37</u>	<u>3.57</u>

AMARJOTHI SPINNING MILLS LIMITED**C. CASH FLOW FROM FINANCING ACTIVITIES:**

Borrowings (net)	-796.00	-908.73
Dividend paid	-135.00	-135.00
Tax on dividend	-23.36	-23.36
Finance costs	-1223.15	-1318.47
Net Cash from Financing Activities	C	-2177.51
Net Increase/ (Decrease) in cash and cash equivalents	(A+B+C)	5.75
Cash and Cash Equivalents as at the beginning of the period	128.16	117.62
Cash and Cash Equivalents as at the end of the period	133.91	128.16

As per my report of even date

V.NARAYANASWAMI, M.A., F.C.A.Chartered Accountant
Membership No.023661

Place : Tirupur

Date : 29/05/2017

On behalf of the Board of Directors

N. RAJAN

Chairman

R. PREMCHANDER

Managing Director

R.JAICHANDER

Joint Managing Director

AUDITOR'S CERTIFICATE

To

The Board of Directors,
Amarjothi Spinning Mills Ltd.,

I have examined the attached Cash Flow Statement of Amarjothi Spinning Mills Ltd., for the year ended 31st March 2017. The Statement has been prepared by the Company in accordance with the requirements of Regulation 34 of the SEBI (LODR) Regulations, 2015 with the Stock Exchanges and is based on and is in agreement with the corresponding Profit and Loss Statement and Balance Sheet of the Company covered by my report of 29th May, 2017 to the members of the Company.

V. NARAYANASWAMI, M.A., F.C.A

Chartered Accountant

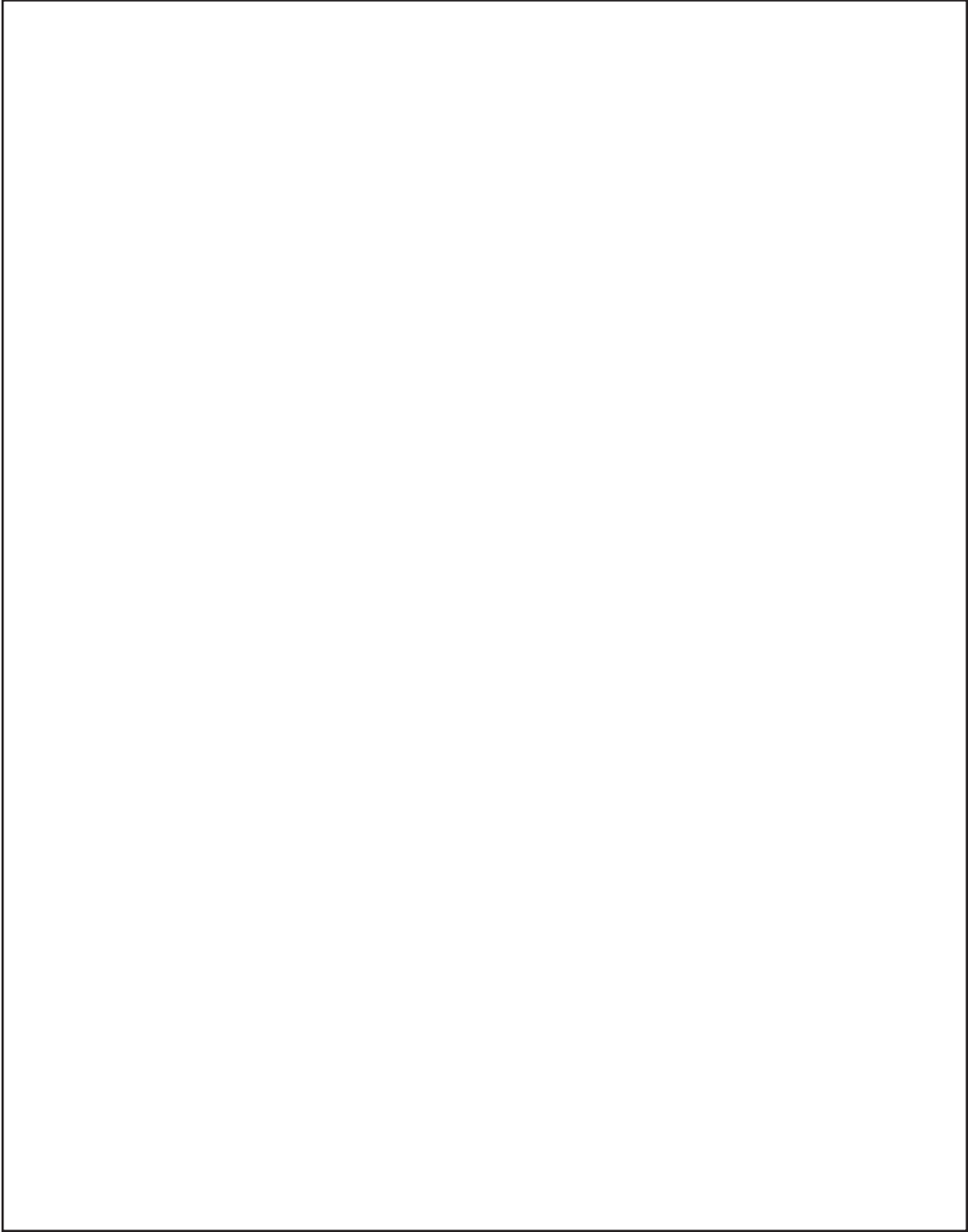
Membership no.023661

Place : Coimbatore

Date : 29.05.2017



**CONSOLIDATED
FINANCIAL STATEMENTS
2016-17**



**INDEPENDENT AUDITORS REPORT ON THE CONSOLIDATED
FINANCIAL STATEMENTS**

To The Members of M/s. Amarjothi Spinning Mills Limited,

Report on the Consolidated Financial Statements:-

I have audited the accompanying consolidated financial statements of Amarjothi Spinning Mills Limited (hereinafter referred to as "the Holding Company") and its associates (the Holding Company and its associates together referred to as "the Group"), which comprise the Consolidated Balance sheet as at **31st March 2017**, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements:

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies' Act 2013 (*The Act*) with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule 2014. The respective Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the of the Holding company, as aforesaid.

Auditor's Responsibility:

My responsibility is to express an opinion on these consolidated financial statements based on my audit.

I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

I conducted my audit in accordance with the Standards on Auditing specified u/s 143(10) of the Act. These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my Audit Opinion on the consolidated financial statements.

OPINION:-

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at **31st March 2017**, its consolidated PROFIT and its consolidated CASH FLOWS for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:-

As required by Section 143 (3) of the Act, I report, to the extent applicable, that:

- a. I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit of the aforesaid consolidated financial statements.
- b. In my opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the company so far as it appears from my examination of those books.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.
- d. In my opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified u/s 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- e. On the basis of the written representations received from the directors of the Holding company as on **31st March 2017** and taken on record by the Board of Directors of the Holding company and the reports of the statutory auditors of the associate companies, none of the directors of the group is disqualified as on **31st March 2017** from being appointed as a director in terms of section 164(2) of the Act.

AMARJOTHI SPINNING MILLS LIMITED



- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to my separate Report in Annexure.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me;
- (i) The Group does not have any pending litigations which would impact its financial position.
 - (ii) The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and protection Fund by the Group.
 - (iv) The Company has else where specified the details regarding demonitisation and the deposit of demonitised notes within the specified period as required in the amendment to schedule III to the Companies Act 2013. This is given as per rule II(d) of the Companies (Auditors) Amendment Rules 2017.

Place : Coimbatore
Date : 29.05.2017

V.NARAYANASWAMI
Chartered Accountant.
Membership No: 023661.

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AMARJOTHI SPINNING MILLS LIMITED.

Report on the Internal Financial Controls under clause (i) of sub section 3 of Section 143 of the Companies Act 2013 ("The Act").

I have audited the internal financial controls over financial reporting of the Holding Company and its Associates as of 31st March 2017 in conjunction with my audit of the consolidated financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The respective Board of Directors of the Group are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate Internal Financial



Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013.

Auditors' Responsibility:

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Internal Financial Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies' Act 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained and the audit evidence obtained by the other auditor is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING:

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:-

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made



only in accordance with authorisations of management and directors of the company; and

- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING:-

Because of the inherent limitations of internal financial controls over financial reporting including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION:-

In my opinion, the Holding Company and its associate companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Place : Coimbatore

Date : 29.05.2017

V.NARAYANASWAMI

Chartered Accountant.

Membership No: 023661.

AMARJOTHI SPINNING MILLS LIMITED


CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017		Rupees in Lakhs	
	Note no.	As at 31.03.2017	31.03.2016
I EQUITY AND LIABILITIES			
1 Shareholders' Funds :			
(a) Share Capital	1	675.00	675.00
(b) Reserves & Surplus	2	9144.83	7969.00
(c) Money Received Against Share Warrants		0.00	0.00
		9819.83	8644.00
2 Minority Interest		599.37	424.70
3 Non-Current Liabilities			
(a) Long-term Borrowings	3	7189.50	6029.08
(b) Deferred Tax Liabilities (Net)	4	1303.85	1474.80
(c) Other Long-term Liabilities		0.00	0.00
(d) Long-term Provisions		0.00	0.00
		8493.35	7503.88
4 Current Liabilities			
(a) Short-term Borrowings	5	605.66	1661.26
(b) Trade Payables	6	834.21	352.13
(c) Other Current Liabilities	7	311.51	192.34
(d) Short Term Provisions	8	1433.45	609.14
		3184.83	2814.87
TOTAL		22097.38	19387.45
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	9868.95	11037.10
(ii) Intangible Assets		0.00	0.00
(iii) Capital Work-in-Progress		493.85	493.85
(iv) Intangible Assets under Developments		0.00	0.00
		10362.80	11530.95
(b) Non-Current Investments	10	83.47	83.47
(c) Deferred Tax Assets (Net)		0.00	0.00
(d) Long Term Loans And Advances		0.00	0.00
(e) Other Non-Current Assets	11	0.00	1.13
		10446.27	11615.55
2 Current Assets			
(a) Current Investments		0.00	0.00
(b) Inventories	12	7172.13	4474.13
(c) Trade Receivables	13	2760.09	2019.85
(d) Cash and Cash Equivalents	14	134.15	128.27
(e) Short-term Loans and advances	15	1584.74	1149.65
(f) Other Current Assets		0.00	0.00
		11651.11	7771.90
TOTAL		22097.38	19387.45
Notes to the financial statements		1-24	
The accompanying notes form an integral part of these financial statements			
As per my report of even date		On behalf of the Board of Directors	
V.NARAYANASWAMI, M.A., F.C.A.		N. RAJAN	R. PREMCHANDER
Chartered Accountant		Chairman	Managing Director
Membership No.023661			
Place : Tirupur		R.JAICHANDER	
Date : 29/05/2017		Joint Managing Director	

AMARJOTHI SPINNING MILLS LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

		Rupees in Lakhs	
		For the year Ended	
	Note no.	31.03.2017	31.03.2016
I. Revenue from operations	16	21682.03	19413.51
II. Other Income	17	347.64	181.45
III. Total Revenue (I+II)		<u>22029.67</u>	<u>19594.96</u>
IV. Expenses			
Cost of Materials Consumed	18	10940.30	8737.59
Purchases of Stock-in-Trade		0.00	0.00
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	19	270.90	1775.88
Employee Benefits Expenses	20	971.20	941.33
Finance Costs	21	1232.42	1318.47
Depreciation and Amortization Expenses	9	1383.73	1318.31
Other Expenses	22	4687.28	4443.42
Total Expenses		<u>19485.83</u>	<u>18535.00</u>
V. Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		2543.84	1059.96
VI. Exceptional Items		0.00	0.00
VII. Profit Before Extraordinary Items and Tax (V-VI)		2543.84	1059.96
VIII. Extraordinary Items		0.00	0.00
IX. Profit Before Tax (VII-VIII)		<u>2543.84</u>	<u>1059.96</u>
X. Tax Expense:			
[1] Current Tax		930.27	208.34
[2] Deferred Tax		-170.95	-112.20
XI. Profit (Loss) for the period from Continuing Operations (IX-X)		1784.52	963.82
XII. Profit (Loss) from Discontinuing Operations		0.00	0.00
XIII. Tax Expense of Discontinuing Operations		0.00	0.00
XIV. Profit (Loss) from Discontinuing Operations (after tax) (XII-XIII)		0.00	0.00
XV. Profit (Loss) for the Period (XI+XIV)		<u>1784.52</u>	<u>963.82</u>
XVI. Earnings Per Equity Share:			
[1] Basic & Diluted		26.44	14.28

Notes to the financial statements
1-24
The accompanying notes form an integral part of these financial statements

As per my report of even date

V.NARAYANASWAMI, M.A., F.C.A.

Chartered Accountant
Membership No.023661

Place : Tirupur

Date : 29/05/2017

On behalf of the Board of Directors

N. RAJAN

Chairman

R. PREMCHANDER

Managing Director

R.JAICHANDER

Joint Managing Director



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

	Rupees in Lakhs	
	Year ended	
	31.03.2017	31.03.2016
[1] SHARE CAPITAL:		
Equity Shares:		
Authorised:		
9750000 Equity Shares of Rs.10 each	975.00	975.00
Issued, Subscribed & Paid-up Capital :		
6750000 Equity Shares of Rs.10 each fully paid	675.00	675.00

Notes:

1.1 Reconciliation of Equity shares at the end of the year

	31.03.2017		31.03.2016	
	No.of shares	Amount	No.of shares	Amount
Balance at the beginning of the year	6750000	675.00	6750000	675.00
Additions	0	0.00	0	0.00
Deletions	0	0.00	0	0.00
Balance at the end of the year	6750000	675.00	6750000	675.00

1.2 List of shareholders holding more than 5%

Name	No.of shares	Amount	No.of shares	Amount
Rajan.N	1164980	17.26	1164780	17.25
Premchander.R	1275653	18.90	1275653	18.90
Jaichander.R	1275498	18.90	1275498	18.90
Total	3716131	55.06	3715931	55.05

1.3 During the five reporting periods immediately preceding the reporting date, no shares have been issued by capitalization of reserves as bonus shares or for Consideration other than cash.

1.4 The Company has a single class of equity shares. Accordingly all equity shares rank equally with regard to voting rights, dividends and share in the Company's residual assets.

AMARJOTHI SPINNING MILLS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017
Rupees in Lakhs
Year ended
31.03.2017
31.03.2016
[2] RESERVES AND SURPLUS :

(i) General Reserve				
As per last year Balance Sheet	1012.65		926.55	
Add : Additions during the year	<u>137.85</u>		<u>86.10</u>	
		1150.50		1012.65
(b) Securities Premium				
As per last year Balance Sheet	225.00		225.00	
Add : Additions during the year	<u>0.00</u>	225.00	<u>0.00</u>	225.00
(c) Surplus:				
As per last year Balance Sheet	6730.58		6147.67	
Add: Net Profit during the year	1784.52		963.82	
Previous year Excess Provision for Taxation reversed	<u>1.00</u>		<u>1.00</u>	
Profit available for Appropriation	<u>8516.10</u>		<u>7112.49</u>	
Less: Appropriations during the year				
Transfer to General Reserve	137.85		86.10	
Transfer to CSR reserve	35.63		33.63	
Proposed Dividend Amarjothi Spg Mills Ltd	135.00		135.00	
Proposed Dividend Amarjothi Power Gen & Dis co ltd	205.70		72.20	
Less: Share to Amarjothi Sgp mills Ltd. 27.06%	<u>-55.66</u>		<u>-19.00</u>	
Tax on Proposed Dividend	38.84		38.06	
Trf to Minority Interest & Capital reserve NET	<u>265.11</u>		<u>35.92</u>	
	<u>762.47</u>	7753.63	<u>381.91</u>	6730.58
(d) Capital Reserve on Consolidation		15.70		0.77
Total		<u>9144.83</u>		<u>7969.00</u>

[3] LONG TERM BORROWINGS:

(a) Term Loan From Banks (Secured)	0.00	0.00
(b) Loan from Directors (Unsecured)	7189.50	6029.08
[c] Interest Free Sales Tax Loan (Unsecured)	0.00	0.00
(d) Other Loans & Advances	<u>0.00</u>	<u>0.00</u>
	<u>7189.50</u>	<u>6029.08</u>

Notes :
3.1 Loan from Directors:

These amounts have been brought in pursuant to the terms of sanction of Loans by Bankers and retained as unsecured loans.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

Rupees in Lakhs

Year ended

31.03.2017

31.03.2016

[4] DEFERRED TAX LIABILITIES (NET)

As per last year Balance Sheet	1474.80	1587.00
Add/less : Transfer from / to P&L a/c for current year	-170.95	-112.20
	1303.85	1474.80

[5] SHORT TERM BORROWINGS

(a) Loan Repayable on Demand from Banks (Secured)	605.66	1661.26
	605.66	1661.26

[6] TRADE PAYABLES

(a) Sundry Creditors	834.21	352.13
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[7] OTHER CURRENT LIABILITIES

(a) Current Maturities of Long Term Debts	0.00	0.00
(b) Unclaimed Dividend	39.34	38.07
(c) VAT Payable	93.42	16.16
(d) Disputed Electricity Charges	21.02	15.79
(c) Others	157.73	122.32
	311.51	192.34

[8] SHORT TERM PROVISIONS

(a) Provision for Employee Benefits	76.20	54.78
(b) Others		
1 Provision for Outstanding Liability	228.87	154.03
2 Provision for CSR expenditure	35.63	33.63
3 Proposed Dividend	135.00	135.00
4 Tax on Proposed Dividend	27.48	23.36
5 Provision for Income Tax	930.27	208.34
	1433.45	609.14

Proposed Dividend per share (in Rs.)	2.00	2.00
Number of Shares	6750000	6750000
Total Proposed Dividend	135.00	135.00

9. FIXED ASSETS:**TANGIBLE ASSETS**

Rupees in Lakhs

Description	Gross Block				Depreciation				Net Block	
	As At 01.04.2016	Additions	Adjustments/ Deletion	As At 31.03.2017	Upto 31.03.2016	During the Period	Adjustments/ Deletions	Upto 31.03.2017	As At 31.03.2017	As At 01.04.2016
LAND	146.85	185.25	45.55	286.55	0.00	0.00	0.00	0.00	286.55	146.85
LEASE HOLD LAND	78.75	0.00	0.00	78.75	0.00	0.00	0.00	0.00	78.75	78.75
BUILDING	2462.41	0.00	0.00	2462.41	872.05	75.58	0.00	947.63	1514.78	1590.36
PLANT & MACHINERY	24275.94	969.97	2527.85	22718.06	15253.72	1264.17	1614.02	14903.87	7814.19	9022.22
FURNITURE & FITTINGS	44.93	0.22	0.00	45.15	42.65	1.66	0.00	44.31	0.84	2.28
OFFICE EQUIPMENTS	300.60	18.57	0.00	319.17	224.80	21.65	0.00	246.45	72.72	75.80
VEHICLES	237.01	0.96	0.22	237.75	116.17	20.67	0.21	136.63	101.12	120.84
T O T A L	27546.49	1174.97	2573.62	26147.84	16509.39	1383.73	1614.23	16278.89	9868.95	11037.10
<i>PREVIOUS YEAR</i>	<i>27550.03</i>	<i>97.53</i>	<i>101.07</i>	<i>27546.49</i>	<i>15274.25</i>	<i>1318.31</i>	<i>83.17</i>	<i>16509.39</i>	<i>11037.10</i>	<i>12275.78</i>



AMARJOTHI SPINNING MILLS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

Rupees in Lakhs

Year ended

31.03.2017

31.03.2016

[10] NON-CURRENT INVESTMENTS (AT COST)
- Trade (Quoted)

50 Equity Shares of Rs.10 each fully paid of Precot Meridian Industries Ltd..

0.09

0.09

(Market value – Rs.4315)

100 Equity Shares of Rs.10 each fully paid of Thambbi Modern Spinning Mills Ltd.

0.05

0.05

(Market value – Rs.772)

- Non - Trade (Un-Quoted)

8307 Equity shares of Rs.1000 each fully paid of Perundurai Common Effluent Treatment Plant (Including premium)

83.08

83.08

250 Equity shares of Rs.100 each fully paid of RPJ Textiles Ltd

0.25

0.25

83.47
83.47
[11] OTHER NON-CURRENT ASSETS:

Preliminary expenses not written off (Transferred from Amalgamation Scheme)

0.00

1.13

0.00
1.13
[12] INVENTORIES :

a) Raw Materials

5703.44

2588.38

b) Work-in-Progress

448.93

360.80

c) Finished Goods

902.11

1261.14

d) Waste Stock

72.20

229.16

e) Stores, Tools, Spares & Packing Materials

45.45

34.65

7172.13
4474.13
[13] TRADE RECEIVABLES

1 Due for More than 6 months (Unsecured)

(a) Considered Good

20.05

13.85

(b) Considered Doubtful

32.72

32.34

2 Other debts (unsecured and considered good)

2740.16

2792.93

2006.50

2052.69

Less : Provision for Doubtful Receivables

32.84

32.84

2760.09
2019.85

AMARJOTHI SPINNING MILLS LIMITED



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

Rupees in Lakhs

Year ended

31.03.2017

31.03.2016

[14] CASH AND BANK BALANCES

Cash on Hand	6.58	6.89
Balances with Scheduled Banks		
In Current Accounts	40.46	8.47
In Deposit Accounts(given as security for bank guarantee - EPCG	47.77	74.84
In Unpaid Dividend Warrant Account	39.34	38.07
	<u>134.15</u>	<u>128.27</u>

[15] SHORT-TERM LOANS & ADVANCES (UNSECURED & CONSIDERED GOOD)

Advances recoverable in cash or in kind or for value to be received	1277.98	975.00
Balance with Excise Department	0.10	14.40
Deposit with Government Departments	306.66	160.25
	<u>1584.74</u>	<u>1149.65</u>

[16] REVENUE FROM OPERATIONS

a) Sale of Products	21682.03	19413.51
b) Sale of Services	0.00	0.00
c) Other Operating Revenues	0.00	0.00
Less: Excise Duty	0.00	0.00
	<u>21682.03</u>	<u>19413.51</u>

[17] OTHER INCOME

a) Interest Income (TDS Rs.8.06 lac (Rs.1.21 lac)	89.44	24.81
b) Net gain / Loss on sale of Fixed assets	135.14	1.21
c) Foreign Exchange Rate Gain	7.63	41.60
d) Insurance Claims	21.54	18.39
e) Other Non-Operating Income	93.89	95.44
	<u>347.64</u>	<u>181.45</u>



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

Rupees in Lakhs

Year ended

31.03.2017

31.03.2016

[18] COST OF MATERIALS CONSUMED :

Opening Stock :

Raw Materials	2588.38		1352.29	
Waste Stock	<u>229.16</u>	2817.54	<u>279.65</u>	1631.94

ADD : Purchases

	13898.40		9923.19	
	<u>16715.94</u>		<u>11555.13</u>	

LESS : Closing Stock :

Raw Materials	5703.44		2588.38	
Waste Stock	<u>72.20</u>	5775.64	<u>229.16</u>	2817.54

	<u>10940.30</u>		<u>8737.59</u>	
--	------------------------	--	-----------------------	--

[19] CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE:

Inventories at the Beginning of the year

Finished Goods	1261.14		3028.99	
Work-in-Progress	<u>360.80</u>	1621.94	<u>368.83</u>	3397.82

Inventories at the end of the year

Finished Goods	902.11		1261.14	
Work-in-Progress	<u>448.93</u>	1351.04	<u>360.80</u>	1621.94

Net (increase) / decrease		<u>270.90</u>		<u>1775.88</u>
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[20] EMPLOYEE BENEFITS EXPENSES

i) Salaries & Wages	764.02		725.26	
ii) Contribution to Provident & Other Funds	36.65		42.45	
iii) Expense on ESOP & ESPP	0.00		0.00	
iv) Staff Welfare Expenses	<u>170.53</u>		<u>173.62</u>	
	<u>971.20</u>		<u>941.33</u>	

[21] FINANCE COSTS

a) Interest on Term Loans	0.00		296.95	
b) Interest on Other Loans	<u>1232.42</u>		<u>1021.52</u>	
	<u>1232.42</u>		<u>1318.47</u>	

AMARJOTHI SPINNING MILLS LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017
Rupees in Lakhs
Year ended
31.03.2017
31.03.2016
[22] OTHER EXPENSES

a) Consumption of Stores & Spare Parts	1195.49	959.66
b) Power & Fuel	769.05	995.69
c) Rent	46.81	39.81
d) Repairs to Building	115.77	103.72
e) Repairs to Machinery	914.81	912.10
f) Insurance	66.70	71.59
g) Rates and Taxes	34.39	30.11
h) Dyeing and Processing Expenses	908.67	778.44
i) Miscellaneous Expenses:		
Advertisement	20.72	41.30
Bank Charges	16.71	25.72
Computer Maintenance Expenses	11.29	10.26
Freight & Other Expenses	57.95	60.91
General Expenses	74.76	95.82
Managerial Remuneration	218.17	102.03
Preliminary expenses w/o	1.13	1.13
Printing, Stationery & Postage	37.21	37.74
Professional Charges	9.60	10.27
Remuneration to Auditors	2.55	1.98
RF Tower Maintenance Expenses	2.50	6.28
Sales Commissions	47.71	40.88
Service Tax Paid	7.71	0.91
Share Transfer Expenses	2.63	2.41
Sitting Fees	0.24	0.24
Telephones	13.89	15.63
Travelling & Conveyance	31.79	28.52
Vehicle Maintenance – car	18.39	17.56
Vehicle Maintenance – Lorry & Van & others	60.64	52.71
Total	<u>4687.28</u>	<u>4443.42</u>



23. NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017:

SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS:

23.1. PRINCIPLES OF CONSOLIDATION:

The consolidated financial statements relate to Amarjothi Spinning Mills Ltd (the “company”) and its associate companies. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the company and its associate companies are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions resulting in unrealised profit or losses in accordance with Accounting Standard (AS)21 “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India.
- b) The difference between cost of investment in the associates, over the net assets at the time of acquisition of shares in the associates is recognised in the financial statements as Goodwill or Capital reserve as the case may be.
- c) As far as possible, the consolidated financial statements are prepared using accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company’s separate financial statements.

23.2. METHOD OF ACCOUNTING:

The financial statements have been prepared in accordance with historical cost convention and accrual system of accounting has been followed.

23.3. FIXED ASSETS:

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on Straight Line Method on the basis of useful lives and in the manner specified in Schedule II to the Companies Act, 2013.

23.4. INVENTORIES:

Finished Goods are stated at lower of cost or net realisable value as specified in Accounting Standard AS2 prescribed by the Institute of Chartered Accountants of India. Other inventories are stated at cost and waste at net realisable value.

23.5. SALES:

Sales are recognized when goods are supplied and are net of Sales Tax and other levies.

23.6. FOREIGN CURRENCY TRANSACTIONS:

Foreign currency transactions are recorded in the books by applying the exchange rates as on the date of transaction. Foreign currency assets are converted at the exchange rate prevailing on the last working day of the accounting year and the exchange is adjusted to the Profit & Loss Account.

23.7. INVESTMENTS:

Investments are stated at cost and are long term in nature and hence no provision has been made for the diminution in the value, if any, during the year. Income from investments is accounted on receipt basis.

AMARJOTHI SPINNING MILLS LIMITED



23.8. TAXATION:

Income tax for the current year has been calculated based on the current year's working. Provision has been made in the accounts for Income tax and Deferred Tax for the current year.

23.9. The names of associates / firms considered in the consolidated financial statements are:

Sl.No.	Name of the Associate / firms	Country of Incorporation	% of ownership	Reporting date
1	Amarjothi Power Generation & Distribution Company Ltd.	India	27.06%	31.03.2017
2	Amarjothi Wind Farms (Partnership firm)	India	47.01%	31.03.2017
3	South West Wind Farms (Partnership firm)	India	26.98%	31.03.2017
4	North East Wind Farms (Partnership firm)	India	26.99%	31.03.2017

24. OTHER NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS:

24.1. SECURED LOANS FROM BANKS:

Sl.No.	Name of the Bank	Limit Rs. In lakhs.	Nature of Facility	Security Offered
1	Bank of Baroda & Karur Vysya Bank	1550.00	Working Capital Facility	First Charge on Current Assets and second charge on the other fixed assets

All the above loans are personally guaranteed by the Chairman, Managing Director and Joint Managing Director of the Company.

As at	As at
31.03.2017	31.03.2016

24.2. CONTINGENT LIABILITIES:

a)	Bills discounted	Nil	Nil
b)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances)	Nil	Nil

24.3. Income Tax assessments have been completed up to the Assessment Year 2014-2015.

24.4. The Company has opted the exemption route vide Central Excise Notification No.30/2004 and 31/2004 dated 09.07.2004.

24.5. As at the end of the year, the Company does not have small-scale industries as defined by Section 3-J of the Industries (Development and Regulation) Act, 1951 and to whom more than Rs. 1.00 lakh is due and also for more than 30 days. Hence, the provision of interest

AMARJOTHI SPINNING MILLS LIMITED



does not arise. There were no overdue payments to Micro, Small and Medium scale enterprises during the year and there is no amount overdue as on the date of the Balance Sheet to such enterprises.

24.6. Sundry debtors which are overdue for a period of 6 months and more include a sum Rs.32.72 lakhs (Rs.32.34 lakhs) for which the Company has taken legal action and is hopeful of recovery. Provision has been made for Rs.32.84 Lakhs for Doubtful Debtors.

24.7. Depreciation has been calculated according to Schedule II of the Companies Act, 2013 as amended on straight-line method.

24.8. The Company has received a demand towards additional Electricity tax amounting to Rs.21.02 lakhs from TNEB against which the Company has gone on appeal to the Honourable High Court of Madras. The Company has not paid this amount due to dispute. No provision has been made in the accounts, pending disposal of appeal by the Honourable High Court of Madras.

	Rupees in Lakhs	
	As on	
	31.03.2017	31.03.2016
24.9. Counter Guarantee given by the Chairman, Managing Director and Joint Managing Director for Working Capital Loans including Non-fund based Limits taken by the Company from its Bankers	1550.00	1550.00

	As at	As at
	31.03.2017	31.03.2016

24.10. QUANTITATIVE PARTICULARS :

i)	Licensed Capacity*	Spindles	75000	75000
		Rotor	4768	2080
ii)	Installed Capacity*	Spindles	29280	37392
		Rotor	4768	2080
ii)	Actual Production - Yarn	Kgs.	6772336	5956397
iv)	Turnover - Yarn	Kgs.	6945618	6770911
		Rs.	2119810806	1913881324
	Turnover - Waste	Kgs.	4702695	1768604
		Rs.	48391981	27469478
v)	Opening Yarn Stock	Kgs.	813010	1627524
		Rs.	126114060	302898590
vi)	Closing Yarn Stock	Kgs.	664135	813010
		Rs.	90211050	126114060
* As certified by Management not verified by Auditor				
vii)	Consumption of Raw Materials	Kgs.	9272761	8092214
		Rs.	1094030402	873758957



AMARJOTHI SPINNING MILLS LIMITED

viii) Consumption of Stores & Spares			
Indigenous (78.18%/62.65%)	Rs.	93467193	60124232
Imported (21.82%/37.35%)	Rs.	26081857	35841462
24.11. EARNINGS IN FOREIGN CURRENCY :			
FOB Value of Exports	Rs.	74512352	153682040
24.12. EXPENDITURE IN FOREIGN CURRENCY :			
a) Traveling	Rs.	807726	1299862
b) CIF Value of Imports	Rs.	26081857	35841462
c) Certification charges	Rs.	490069	566337
24.13. REMUNERATION TO DIRECTORS :			
a) Managing Director (Salary)	Rs.	720000	720000
b) Joint Managing Director (Salary)	Rs.	720000	720000
c) Managing Director (Commission)	Rs.	9196858	3917936
d) Joint Managing Director (Commission)	Rs.	9196858	3917936
e) Chairman (Commission)	Rs.	1983372	927587
Total		<u>21817088</u>	<u>10203459</u>
Computation of Remuneration to Directors:			
Net Profit before tax as per Profit & Loss account		211851675	92879434
Add: Remuneration debited to Profit & Loss account		21817088	10203459
Less / (Add): Profit / (Loss) on sale of Assets		13514514	120706
Net Profit available		<u>220154249</u>	<u>102962187</u>
Managerial Remuneration eligible		<u>21817088</u>	<u>10203459</u>
24.14. PAYMENT TO AUDITOR :			
Audit Fees (inclusive of Service Tax)	Rs.	183200	168540
Reimbursement of Expenses	Rs.	20000	15000
Other Services	Rs.	52150	14534
Total		<u>255350</u>	<u>198074</u>
24.15. Previous year figures have been regrouped and reclassified wherever necessary to conform to current year's classification.			
As per my report of even date	On behalf of the Board of Directors		
V.NARAYANASWAMI, M.A., F.C.A.	N. RAJAN	R. PREMCHANDER	
Chartered Accountant	Chairman	Managing Director	
Membership No.023661			
Place : Tirupur		R.JAICHANDER	
Date : 29/05/2017		Joint Managing Director	



NOTES FORMING PART OF ACCOUNTS – DISCLOSURES

I. Segment-wise Reporting:

The Company is engaged mainly in the manufacture of yarn. The Company owns Eleven wind mills mainly for captive consumption purpose only. During the year total value of power generated through these wind mills and the total value of power generated by wind mills owned by associates are fully utilised for captive consumption of the company and is adjusted with the power cost of the Company. The processing division is operating mainly for captive utilization and hence segment- wise reporting as defined in Accounting Standard 17 is not required.

II. Deferred Tax Assets / Liability:

Deferred tax provision for the current year has been credited to the profit and loss account for the year. The Balance of deferred Tax liability is being disclosed as a liability.

Deferred Taxation Liability on account of Timing Difference : (Rs.)

As on 01.04.2016	147480000.00
Less: Transfer to Profit & Loss a/c	17095000.00
Balance of Liability as on 31.03.2017	<u>130385000.00</u>

III. Employee Benefits: AS-15:

a) Provident Fund Contribution:

During the year the Company has contributed Rs.2608817/- to Government Provident fund. The Company does not have a separate exempted provident fund.

b) Gratuity:

As per the records of the Company none of the employees come under the purview of Payment of Gratuity Act.

c) With regard to other terminal benefits payable to employees the Company makes a payment of such benefits every year and hence no provision is required.

IV. Related Party Disclosure as per AS 18 :

1. Related Parties: Associates: i) N.Rajan & Sons
2. Key Management Personnel :
 - i) Sri. R. Premchander, Managing Director
 - ii) Sri. R. Jaichander, Joint Managing Director

AMARJOTHI SPINNING MILLS LIMITED



Transactions:

Particulars	Related Parties/ Associates	Key Management Personnel & Relatives	Directors
Remuneration	-	Rs.2,18,17,088	-
Sitting fees	-	-	Rs.24,000
Payment of Interest	Rs.11,89,98,312	-	-
Credit Balance as at 31.03.2017	Rs.62,88,69,389	-	-

V. Earning Per share as per AS 20

Particulars	31.03.2017	31.03.2016
a) Net Profit after tax (Rs.)	17,84,50,045	9,63,81,753
b) Number of Equity shares	67,50,000	67,50,000
c) Earnings Per Share (Rs.) (a/b)	26.44	14.28

VI. CASH TRANSACTION DURING DEMONITISATION PERIOD:

Particulars	SBN's Denomination	Other's Denomination	Total
Closing Cash in hand on 08.11.2016	Nil	11,24,738	11,24,738
Add: Permitted receipts	Nil	25,75,326	25,75,326
Less: Permitted payments	Nil	30,89,953	30,89,953
Less: Bank deposits	Nil	15,000	15,000
Closing cash in hand on 30.12.2016	Nil	5,95,111	5,95,111

AMARJOTHI SPINNING MILLS LIMITED


CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017			
	Rupees in Lakhs		
	Year Ended 31.03.2017	Year Ended 31.03.2016	
A. CASH FLOW FROM OPERATING ACTIVITIES:			
NET Profit before Taxation	2543.84	1059.96	
Adjustments for:			
Depreciation and amortisation	1383.73	1318.31	
Loss /(Profit) on Sale of Assets	-135.14	-1.21	
Interest Income	-89.44	-24.81	
Finance costs	<u>1232.42</u>	<u>1318.47</u>	
	2391.57	2610.76	
Operating Profit before Working Capital Changes	4935.41	3670.72	
Adjustments for:			
Trade & other Receivables	-1175.33	-180.64	
Inventories	-2698.00	658.21	
Trade Payable & Other Liabilities	<u>1244.24</u>	<u>-1650.01</u>	-1172.44
Cash Generated from Operations	2306.32	2498.28	
Direct Taxes provisions / paid	-506.66	-302.36	
Net Cash from Operating activities A	<u>1799.66</u>	<u>2195.92</u>	
B. CASH FLOW FROM INVESTMENT ACTIVITIES:			
Purchase of Fixed Assets	-1174.97	-97.53	
Sale of Fixed Assets	824.25	102.27	
Payment for Capital Projects in Progress	0.00	0.01	
Investments made	0.00	169.51	
Adjustments for other non current assets	1.13	1.13	
Interest Received	89.44	24.81	
Net Cash from Investment activities B	<u>-260.15</u>	<u>200.18</u>	

AMARJOTHI SPINNING MILLS LIMITED



C. CASH FLOW FROM FINANCING ACTIVITIES:

Borrowings (net)	104.82	-908.74
Dividend paid	-340.70	-135.00
Tax on dividend	-65.33	-23.36
Finance costs	-1232.42	-1318.47
Net Cash from Financing Activities	C	-2385.57
	-1533.63	
Net Increase/ (Decrease) in cash and cash equivalents	(A+B+C)	5.88
		10.53
Cash and Cash Equivalents as at the beginning of the period	128.27	117.74
Cash and Cash Equivalents as at the end of the period	134.15	128.27

As per my report of even date

V.NARAYANASWAMI, M.A., F.C.A.

Chartered Accountant
Membership No.023661

Place : Tirupur

Date : 29/05/2017

On behalf of the Board of Directors

N. RAJAN

Chairman

R. PREMCHANDER

Managing Director

R.JAICHANDER

Joint Managing Director

AUDITOR'S CERTIFICATE

To

The Board of Directors,
Amarjothi Spinning Mills Ltd.,

I have examined the attached Consolidated Cash Flow Statement of Amarjothi Spinning Mills Ltd., for the year ended 31st March 2017. The Statement has been prepared by the Company in accordance with the requirements of Regulation 34 of the SEBI (LODR) Regulations, 2015 with the Stock Exchanges and is based on and is in agreement with the corresponding Consolidated Profit and Loss Statement and Consolidated Balance Sheet of the Company covered by my report of 29th May, 2017 to the members of the Company.

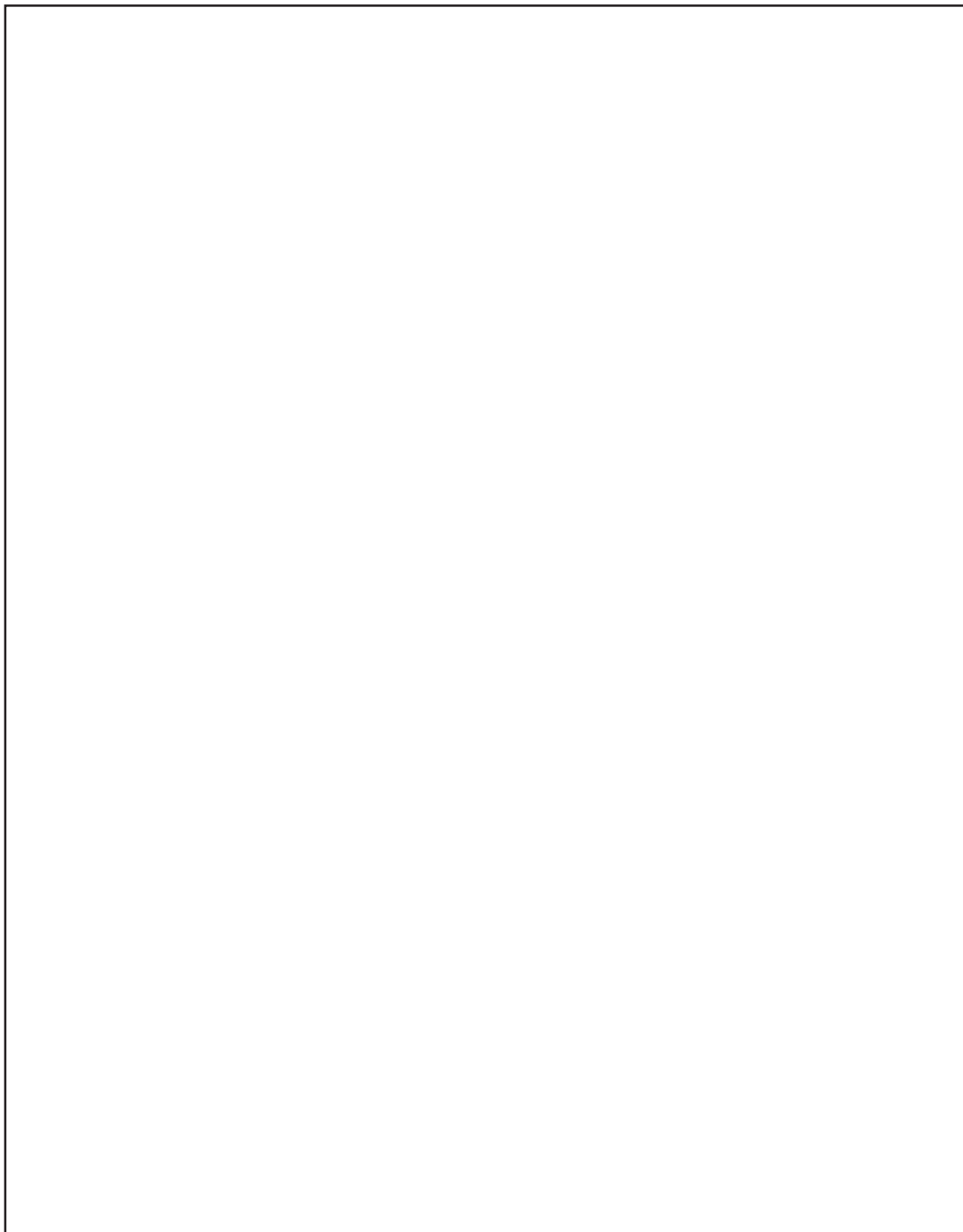
V. NARAYANASWAMI, M.A., F.C.A

Chartered Accountant

Membership no.023661

Place : Coimbatore

Date : 29.05.2017



AMARJOTHI SPINNING MILLS LIMITED



AMARJOTHI SPINNING MILLS LIMITED

Registered Office: "Amarjothi House", 157, Kumaran Road, Tirupur - 641 601.
Ph: 0421 4311600 Fax: 0421 4326694. Email: mill@amarjothi.net Website: amarjothi.net
CIN: L17111TZ1987PLC002090

FORM NO. MGT-11

PROXY FORM

Name of the member(s):

Registered address:

E-mail ID:

Folio No./Client ID: DP ID:

I/we being the member(s) holding shares of the above named Company, hereby appoint:

1) Name :

Address

Email ID

Signature

or failing him/her

2) Name

Address

Email ID

Signature

or failing him/her

3) Name

Address

Email ID

Signature

as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, will be held on Monday, 25th September, 2017 at 11.00 A.M. at the Meeting Hall of Gayathiri Hotel, Kangayam Road, Tirupur - 641604 and at any adjournment thereof in respect of such resolutions set out in the Notice convening the meeting, as are indicated herein:

P.T.O.

AMARJOTHI SPINNING MILLS LIMITED



Resolution Number	Resolution	Vote (see note 2)	
		For	Against
Ordinary Business			
1.	Adoption of Audited Financial Statements of the Company for the financial year ended 31 st March 2017, the report of the Board of Directors and the Auditor's thereon.		
2.	Declaration of final Dividend of Rs.2.00 per share, which is recommended by Board of Directors of the Company on 29 th May 2017.		
3.	Appoint Director in place of Mr. M. Moorthi (DIN: 06801357), who retires by rotation and being eligible, offers himself for re-appointment.		
4.	Appointment of Mr. P.S.sitaram as the auditor of the Company and to fix his remuneration.		
Special Business			
5.	Ratification of Remuneration payable to Cost Auditor M/s. Nagarajan & Co., Mr. M.Nagarajan, for the period of 2017-18.		
<p>Signed this day of 2017.</p> <p>Signature of shareholder :.....</p> <p>Signature of Proxy holder (s) :.....</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin-left: auto;"> Affix Re.1/- Revenue Stamp </div> <p>Note:</p> <ol style="list-style-type: none"> 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. 2. It is optional to indicate your preference, If you leave the for, against, abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner he/she may deem applicable. 			

AMARJOTHI SPINNING MILLS LIMITED



AMARJOTHI SPINNING MILLS LIMITED

"Amarjothi House", 157, Kumaran Road, Tirupur - 641 601.
Ph: 0421 4311600 Fax: 0421 4326694. Email: mill@amarjothi.net Website: amarjothi.net
CIN: L17111TZ1987PLC002090

ATTENDANCE SLIP

29th Annual General Meeting on 25th September, 2017

Please complete the attendance slip and hand it over at the entrance of the hall. Only members or their proxies are entitled to present at the meeting.

Member's Ledger Folio No. No. of Shares held.....

Name and Address.....

NAME OF THE ATTENDING MEMBER:

NAME OF THE PROXY:

I hereby record my presence at the Twenty Ninth Annual General Meeting held at the Meeting Hall of Gayathri Hotel, Kangayam Road, Tirupur - 641 604 at 11.00 A.M. on Monday, 25.09.2017.

Signature of the Shareholder or Proxy

To

If undelivered please return to :
AMARJOTHI SPINNING MILLS LIMITED
“AMARJOTHI HOUSE”
157, Kumaran Road
Tirupur – 641 601.